35 was opened briefly last week to two American journalists and Catherine Fitz-patrick, research director of Helsinki Watch in New York, a human-rights moni-

toring group.

The afternoon visit, which included a

tour of the camp and meetings with prison-

ers, offered little opportunity to observe the reality of life in the camp. Freshly painted, cleaned and polished

ed for the prisoners and fresh blankets

neatly tucked under their mattresses, the

camp evoked little of the fear or suffering described by former inmates.

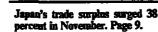
Punishment cells, the scene of beatings and exposure to cold, according to former

36 Are Killed in a London Rail Collision

the visitors, with new uniforms provid-

Perm Camp 35: Glasnost in the Gulag

As in the United States, however, such preoccupations obscure prob-



global economic imbalances, the analysts question, for instance, prospect of a worsening trade envimoved substantially away from viewing foreign markets as battle-fields from which trading partners emerge as either victors or vanquished.

Reduced exports and a shift away from an approach that stress-es favorable trade balances are supposed to be at the core of changes Japan has sought to make as its contribution to global economic adjustment. But analysts say the current boom in personal con-

See TRADE, Page 7

Seeking a Culprit For Trade Tensions

Protectionist Surge Prompts Japan To Consider the Sources of Friction

By Patrick L. Smith

TOKYO - As a new U.S. adunistration assumes office and as Europe's effort to integrate gains momentum, Japanese industrialists and officials are increasingly concerned that a new and virulent strain of protectionism may begin Although Japan has done much

Protectionism/ Free Trade

ver the past three years to correct prospect of a worsening trade environment raises a fundamental issue: How much blame must this industrially powerful nation accept for such a trend? Like many U.S. legislators, Japanese officials and business execu-

tives tend to first look abroad for the origins of trade friction and any new threat of protectionism. The underlying question, they believe, is whether Japan's major trading partners are politically capable of adjusting to an increasingly interdependent world economy.

Their rising concerns are em-blematic of the global tension that has increased with a recent surge in protectionist sentiment.

The U.S. trade and budget defi-cits, for instance, are viewed in To-kyo as something of a lighted match next to a dry powder keg: Until the new administration be-ties to adverse them ments. I some gins to reduce them, many Japa-nese assert, the deficits could touch

over otherwise minor matters. Even before George Bush assumes the presidency, for instance, there are already indications that he may have to field complaints from U.S. industry over access to the Japanese construction market. the continuation of retaliatory tariffs on imports of Japanese computers and the opening of the Japa-

lems at home that Japanese execu-

In particular, there is growing concern as to whether lasting adjustments have been made to reduce Japan's dependence on exports and develop domestic markets by encouraging greater consumption. Rather than reducing the \$94 billion trade surplus registered in 1987, the nation may increase the surplus to \$100 billion

next year, many analysts predict.

Japan Leading U.S. In Key Chip Process

By John Markoff

New York Times Service NEW YORK -- Electronics excutives and scientists are warning hat Japan is rapidly pulling ahead of the United States in develop-New Fment of a crucial X-ray technology that will be used to manufacture computer chips in the mid-1990s.

At stake, say industry executives. is American competitiveness in a number of vital areas, from military technology to consumer elec-

Semiconductors, or chips, are the building blocks of computers. They are now made using light to etch circuits onto silicon waters. The most advanced commercial chips available can store one million bits

Kiosk

Marine Colonel Is 'Sentenced'

BEIRUT (AP) — The kid-nappers holding a U.S. Marine licutenant colonel, William R. Higgins, said in a statement released Monday they had "sentenced him to death" as a spy for Israel. Colonel Higgins is a part of the UN peace-

keeping force in Lebanon. A typewritten Arabic statement signed by the Organization of the Oppressed on Earth said that "it has been proven by clear-cut evidence that he and his American team of observers are guilty" of provid-ing accurate and detailed military and security information about resistance lighters, their positions and movements.



Elisabeth Kopp, Swiss justice minister, resigned amid a financial scandal. Page 6.

General News For the U.S. military, has enhanced security been worth

Pound 1.8425 3.91 Yen 122.88

pine forests of the Ural mountains, lies Perm Labor Camp 35, at once a penal institution and a state of mind. off explosive bouts of trade friction Its gray wooden fences and barbed-wire barriers rising starkly above the snow, the labor camp is one of the remote outposts where Soviet citizens who challenged the

By Philip Taubman

of Russia, snowbound amid the undulating

government have been incarcerated, an is-

land in the archipelago of punishment chronicled by Alexander I. Solzhenitsyn

Suspended uneasily now between the

chev that may bring its demise, Perm Camp

decades of repression that gave it birth and the policies of President Mikhail S. Gorba-were brightly illuminated, spotless, warm

and other former prisoners.

New York Times Service PERM, U.S.S.R. — Deep in the interior

luctant to address. Independent

of information, or about 62 typed pages. Experts think the limit to such chips is 16 million bits.

called X-ray lithography, can make "denser" chips that scientists think

tor industry. set up a joint industry-governmen

additional \$100 million.

"Investment in this vital technolthe company's highest-ranking en-gineer. "Other players in the indus-try, particularly in Japan, have already discovered this and are on

See X-RAY, Page 11

will ultimately be able to store a thousand times more data. Such computing power is now available only with the largest IBM mainfrigerator-sized cabinets. The new chips would be about the size of a

The U.S. experts are urging the creation of a national research program to insure that American manufacturers are not shut out of the world semiconductor market. Such a program might work through or in parallel with Sematech, the joint research and development effort set up last year by the Defense

ductor experts said the United States has spent \$50 million to \$100 million and is planning to spend an So concerned are officials at International Business Machines

ogy is not a matter of choice, and it must happen soon," said Jack D. Kuchler, IBM vice chairman and

"It's a shame the other companies don't see the handwriting on the wall," said Erich Bloch, director of the National Science Foun-

The developing technology,

Department and the semiconduc-

The technology is considered too expensive for companies to develop alone. The Japanese have already

program that will spend nearly \$1 billion on X-ray lithography. in contrast, American semicon-

Corp. that they have approached some American chip makers and offered to share costly equipment for IBM's X-ray technology re-

their way.' dation. "It's as shortsighted as the automobile industry. Ten years

PLO Seeking Broad European Support

By Edward Cody

Washington Post Service GENEVA -On the eve of a UN General Assembly session convened to hear Yasser Arafat, the Palestine Liberation Organization sought broad European support Monday for resolutions reinforcing its recent declaration of a Palestinian state in Gaza and the West

The resolutions, being negotiated by PLO and other Arab officials, were designed to enhance the diplomatic momentum sought from Mr. Arafat's increasingly ex-plicit recognition of Israel and what an aide said would be a "historic" speech Tuesday before the General Assembly, diplomatic

Mr. Arafat's chief spokesman for the West, Bassam Abu Sharif, was reported Monday to have expressed hope that the speech would remove the obstacles to U.S.-PLO contacts. The United States has long refused to deal with the organization until the PLO clearly recognizes Israel's right to exist and

renounces terrorism.

Rescuers searching Monday for the dead and injured in the

wreckage of two packed commuter trains that crashed

without warning and were hit by a third train during the

Yedioth Aharonoth, a Tel Aviv newspaper, reported Mr. Abu Sha-rif to have said by telephone: "Mr. Arafat will explain to the entire world the significance of the histor-

both sides "

morning rush hour in South London, killing 36 persons. It

was the transportation disaster since the King's Cross

Underground blaze last year, which killed 31.

European countries were ready to cause, sources here said. make a gesture toward Mr. Arafat Wednesday, saying the council's decision means that the PLO recognizes the state of Israel.

At the same time. European the state of Israel....The aim of an and moderate Arab govern-the PLO is to establish a Palestin-ments have been counseling PLO ian state alongside Israel with in-officials to accept soft resolutions

ternational security guarantees for acceptable outside the bloc of Third World and Arab nations that A European diplomat said most traditionally support the PLO

With the support of these counand his organization in reaction to the council's decision Nov. 15 to mul General Assembly resolutions accept key UN resolutions that rec-favorable to its cause, most of them fort has been plagued not only by osnize Israel's right to exist within subsequently ignored. Because of the scope of the devastation, but ognize Israel's right to exist within subsequently ignored. Because of the international spotlight focused that policy a step further last on Mr. Arafat's General Assembly appearance and his recent shifts, however, this year's assembly de-bate on the Palestinian question has taken on added importance.

The United States, which precipitated the decision to convene the assembly here by recently refusing Mr. Arafat a visa, was considered

See UN, Page 2

unlikely to back any of the PLO-

See PRISON, Page 2 In Armenia, Anger Boils On Ethnic

The day before the camp tour, Mr. Gorbachev told the United Nations that no

longer are people kept in prison for their political and religious views.

ment prosecutor, in response to columns by A.M. Rosenthal of The New York

The visitors were escorted to the camp,

located four hours by car from Perm, which is about 1,000 miles (1,600 kilome-

ters) east of Moscow, by representatives of the Ministry of the Interior, which controls

the camp, and the procurator's office,

es about Soviet prison con

the suppression of dissent.

Daily menus for December were posted dissent — had been released from prisons

What the visit did provide was a chance The visit was arranged by the office of to witness the first, fitful changes in the procurator general, the chief govern-

in the camp dining room, calorie totals and camps. carefully itemized to show that prisoners were being adequately fed. Only the nox-bachev told

ious smell of fish soup drifting from the kitchen belied the notices.

authoritarian state of mind that has long

dominated the penal system and the men who run it. It was clear during the day that

camp authorities and government officials

from Moscow were struggling, unhappily

at times, to adjust to the era of increased openness and tolerance introduced by Mr.

Just days before the visit, the govern-ment said all prisoners convicted for anti-

Soviet agitation — Article 70 in the crimi-

nal code, frequently used to suppress

Fault Lines

Washington Part Service
MOSCOW — The Soviet repub lic of Armenia was struck by not one, but two disasters this month. The natural disaster was the most spectacular, but the man-made diaster is likely to prove more difficult to overcome

When the rubble from Wednesday's earthquake has been cleared, President Mikhail S. Gorbachev will still have to cope with the polit-

ical aftershocks of the most severe ethnic unrest to hit the Soviet

Union in decades. struck, tens of thousands of Armenian refugees fled the neighboring republic of Azerbaijan while simi-lar numbers of Azerbaijanis es-caped in the opposite direction.

nationalists of trying to exploit emotions unleashed by the earth-quake to pursue their own political

Armenian activists have in turn alleged that the Soviet leader has used the disaster as a pretext for moving against their mass move-

In a television interview Sunday that his patience with a yearlong Azerbaijani province of Nagorno-Karabakh is at an end. He described as "immoral" the attempt

See ETHNIC, Page 2

By Michael Dobbs

In the days before the quake

Over the past two days, the trag-edies have almost merged. Mr. Gorbachev has accused Armenian

night after a tour of the disaster zone, Mr. Gorbachev served notice to stir up nationalist grievances at a time of national mourning.

"They are out for power," Mr. airfield blocking the way for other Gorbachev said, apparently referplanes." ring to leaders of the banned Kara-

M. Nikiforov, a deputy foreign minister, said that experts believed a victim in shock might survive seven days, and even longer if caught in a pocket of air. "With every day, the moans are decreasing," Gennadi I. Gerasi-mov, the chief Soviet spokesman, said Monday. **NEWS ANALYSIS** The internationally assisted res-

cue effort, involving 46 countries in the greatest flow of foreign aid World War II, continued in the face of numerous obstacles: rain-slickened roads that slowed ambulances, shortages of cranes, medical equipment, antibiotics and blood plasma, an influx of Arme-

ESTABLISHED 1887

Russian

Rescuers

Criticized

As Hopes Fade

For Missing, Press

Cites Inefficiency

By Bill Keller

thousands of victims believed still trapped under the debris of last

week's earthquake in Armenia, So-

viet newspapers and television charged Monday that rescue efforts.

were hampered by poor preparedness and disorganization. Health Minister Yevgeni I. Cha-

Health Minister Yevgeni I. Chazov has estimated that as many as
70,000 people were killed by the
quake last Wednesday. The newspaper izvestia said Monday that
6,000 were hospitalized.
Soviet officials said they could

not tell how many victims were still beneath the rubble of ruined Arme-

nian cities because the populations of some of the localities hardest hit

had recently been swollen by thou-sands of unregistered refugees flee-ing ethnic tensions in neighboring

Five days after the quake, officials said the prospects of survival for those trapped in the ruins were declining fast, although Valentin

MOSCOW — As hope faded for-

nians searching for relatives, and sporadic outbreaks of ethnic ten-Western diplomats and rescue workers said the disorder was to be expected in a disaster of such scale. But the Soviet press Monday

timed at inefficiencies in the rescue Pravda, the main voice of the Communist Party, declared that lives had been lost because cranes' for digging out victims were not delivered quickly enough or were

sent to the wrong places Planning in the first days after paper said

At Leninakan airport, the news paper added, "it took five hours to the while it was standing on the

Prime MInister Nikolai I. Ryzh-See QUAKE, Page 2

A 2d Airplane Crashes With Aid for Armenia

By David Remnick

MOSCOW - A Yugoslav air force transport jet carrying sup-plies for the earthquake relief effort in Soviet Armenia crashed Monday near the Yerevan airport, killing all

seven crew members. The crash follows a similar disaster in the region Sunday, when a Soviet Army plane crashed near Leninakan, killing 78 people. The two crashes underscored

criticism by witnesses and the Soviet press that the massive relief efalso by rampant delays, heavy air traffic and disorganizatio

A senior aviation official, Boris Panyukov, said in Moscow that both the AS-12 Yugoslav transport plane and the Soviet Ilyushin-76 "just disappeared from the radar screen" and crashed.

He defended the radar equipment and air traffic controllers at both Yerevan and Leninakan airports as "up to international stan-dards" and denied a report that the Soviet plane had collided with a

There was no collision with a helicopter," said Mr. Panyukov, first deputy minister of civil aviation. "The only collision was with the ground."

Planes from about 40 countries including four from the United States, have been shuttling aid and rescue workers into Leninakan. Kirovakan, Spitak and other towns

hit hardest by the quake. Mr. Panyukov said that the Yugoslav plane left Yugoslavia, flew over Turkey and was descending into the Yerevan airport when it "crashed and burned" at 2:23 A.M. near a highway. After the crash, all air traffic in Yerevan was directed

to other cities. The crashes followed a warning in the military newspaper Red Star about the overcrowding. The paper had alleged that scores of emergency flights a day were outstripping the capabilities of air traffic controllers to handle them. But a se-

See PLANE, Page 2

Rite of Passage: The Bush Clan Won't Stay 'Just Folks' Much Longer

By Maureen Dowd

New York Tones Service WASHINGTON — Just as Amy Carter once discussed nuclear war with her father the president, so Dorothy Bush LeBlond offers her father

advice on matters of importance.

There was the time right after the election when she was at home in Cape Elizabeth, Maine, watching the Cable News Network, and she saw the president-elect body-surfing in Florida. She called him and advised him to buy a more presidential bathing suit.
"They showed him from the back, diving into
the waves," recalled the shy 29-year-old, a blush
in her voice. "I said, 'Dad, I hate to tell you, but

dent-elect laughed with delight at the daughterly With some embarrassment and some humor.

your bathing suit was sinking, and it was showing a little more than we wanted to see." The presi-

president. Family members are elated, of course. but they also sound an apprehensive note.

"We just came leaping out into the public glare," said Nancy Ellis, Mr. Bush's sister. "We didn't particularly want it." Once again, an American family is about to undergo a singular and daunting experience, coming under a microscope that has often turned the lives of first families into a national soap opera complete with fends, peccadilloes and self-

From the time Mary Todd Lincoln was suspected of being a Confederate spy to Billy Carter's introducing "Billy Beer" and Patti Davis's

astringent roman a clef about growing up in the Reagan family, presidents have had problems

promoting relatives.

George Bush's family is adjusting to its new celebrity, a fame that arrived belatedly after long years in the shadows with the self-effacing vice chievous kinfolk.

As John Ehrlichman. Richard Nixon's side.

The control of Ron Reagan Jr., who once appeared on the program in his skivvies.

William Bush, said he has been living by "very the control of Ron Reagan Jr., who once appeared on the program in his skivvies.

William Bush, said he has been living by "very the control of Ron Reagan Jr., who once appeared on the program in his skivvies. wrote: "A president's staff can get geared up to

handle almost every sort of foreign or domestic crisis, but none has coped successfully with the problem of their boss's wife, mother, brothers, sisters and children." The Bushes concede they have a family flaw. "We're all pretty thin-skinned," said Jeb Bush, at 35 the president-elect's second-oldest son. There seems to be no obvious candidate for black sheep although Marvin, Jeb's 31-year-old brother, said

The family seems conscious of the potential pitfalls. Members promised there will be no Bush signature tennis rackets or topsiders or racy ap-pearances on "Saturday Night Live" in the tradi-

clear commercial guidelines" ever since his brother became vice president. "I don't place telephone calls to the 202 area code in Washington on my personal behalf or on behalf of clients to talk to anybody in George Bush's office," said

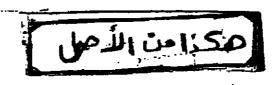
the St. Louis insurance man, "And we don't go out and talk about things that affect the president-elect's life without him knowing about it." he said. "Since he returns every phone call, all we need to do is call and say, 'I'd like to speak at the church and say blah, blah, drily that "a few people are jockeying for the blah - and he'll say 'O.K.,' or 'Gee, I wish you

> Although family members seem horrified at the idea of using the president-elect's name for commercial use, Marvin suggested that the family's prestige can be channeled in a positive way.

an inflammation of the colon, Marvin Bush had a life-saving operation in which his body wastes were rerouted to a pouch outside the body. He has become a counselor for people who need such surgery and are afraid of how it will change their lives. "I don't mind using my dad's name and accomplishments to help with something like that," he said.

There are a lot of Bushes, so many that they're taking over a hotel near the White House for the manguration festivities. Children, grandchildren, aunts, uncles, brothers, sisters, cousins, nieces, nephews, in-laws - Bushes of every size and age and from every part of the country will be check-ing into the Jefferson Hotel.

The clan is headed by the president-elect's mother, Dorothy Walker Bush, who is in her late See FAMILY, Page 2



position."

By Warren Getler International Herald Tribune LONDON - At least 36 people were killed and more than 100 incollision on the outskirts of Lon-

The crash occurred shortly after 8 A.M. on one of the busiest stretches of track leading into London, a route used by as many as 220,000 commuters each day.

A government investigation is under way to identify the cause of the crash, with initial assessment by officials pointing to a lapse — human or mechanical — in the track's signaling system.

Emergency teams spent much of the day removing bodies from the severely tangled wreckage.

Chris Jackson, an editor with Railway Gazette, an independent trade publication, said that the signal system in the area had been under repairs for more than two

"All the old signal and control equipment in the Waterloo area, which includes Clapham Junction," he said, "is being replaced. It is possible that during one of the crowding on trains," he said, dereplacement phases, something may have been connected up

The police and British Rail officials said that an oncoming passenger train from Poole in Dorset. traveling at about 40 mph (about 65 kph) and carrying an estimated 600 commuters, slammed into the tear of stationary passenger train filled with an estimated 800 per-

The stationary train, en route from Basingstoke to London's Waterloo station, had been waiting for clearance at an automated British Rail signal station along a sharp bend in the track less than a mile from the Clapham Junction station

in south London. Minutes after the impact, which derailed a number of cars from both trains onto an adjacent track, an empty passenger train traveling in the opposite direction rammed

into some of the derailed cars. A guard from the empty train reportedly prevented a fourth oncoming train from hitting the

Stuart Gallie, 24, said he was in the rear car of the stationary train when it was struck. Mr. Gallie, who was not hurt, said: "We never jured early Monday in a three-train heard the other train. When we were hit, we must have gone 60 feet through the air in the carriage. We landed on top of a hill, leaning against the train that hit us. I think two people died in our section."

Mr. Gallie, a recruitment consultant said all those who were shie had helped to pull the injured from the wreckage. Police helicopters evacuated the seriously injured.

"It was horrific," said Paddy Viney, 43, another survivor from the rear of the Basingstoke train. "But there was no panic." The Emanuel School, a boys' school, was converted into a rescue center for the injured,

British Rail has recently come under criticism for overcrowding. Michael Portillo, minister of state for transport, said the government inquiry into the cause of the disaster and its high death toll would examine the number of passengers traveling on the two trains.

"We have standards for overscribing the accident as "extremely grim and distressing."

The opposition Labor Party's spokesman on transport, John Prescott, asked whether the government was aware of the latest figures in an official report that "deaths and major injures have increased by 62 percent over five years on British Rail, collisions by 18 percent and derailments by 6 percent."

Mr. Prescott asked for a thorough and independent investigation on all aspects of safety on the network.

The police described the accident as the worst involving British Rail services in more than two decades.

Previous train and Underground accidents resulting in heavy casual-ties include: the King's Cross Underground blaze in November last year, killing 31; the Moorgate Un-derground collision in 1975, killing 42; the Hithergreen train collision in 1967, leaving 49 dead; the Lewi-sham train collision in 1957, killing 90, and a three-train crash at Harrow in 1952, which left 122 dead.



FIGHTING BACK — An Arab woman grabs the truncheon of a mounted Israeli policeman in East Jerusalem Monday during clashes between police and Arab students near the bus station.

UN: PLO Seeks Broader Support Before Arafat Speech

inspired resolutions, as was Israel. But the PLO's aim was to attract as

many Western governments as pos-sible to back its resolutions in an attempt to display broad support that would isolate the United States and Israel.

In addition to accepting the UN resolutions clearly for the first time, the council in Algiers promed a Palestinian state, despite Israel's control over the entire territory where such a state could take on a concrete existence.

In what was believed to be the first geographical delimitation of the proposed state, the newspaper

(Continued from page 1)

bakh Committee in Armenia. "We

must stop them, using all our politi-cal and administrative authority."

people have gone to help out."

the arrests of the committee mem

used tanks to break up demonstra-

Shortly before Mr. Gorbachev

ETHNIC:

reported that Mr. Abu Sharif said it would be on the territory lost to Israel in the 1967 war. That included Gaza and the West Bank, including the eastern part of Jerusalem controlled by Jordan until 1967. "The borders we are asking for are the 1967 borders," Mr. Abu

Sharif was reported as saving. It was not clear from the interview whether Mr. Arafat planned similarly to define the proposed Palestinian state in his speech Tuesday.

An Arab diplomat said the PLO's suggested General Assembly resolutions were changing rap-icly as a result of contacts with

European and other Arab sovernvoted before Wednesday or Thursday, the resolutions were expected to evolve further before being pre-sented to the assembly, he added. Diplomatic sources said the orig-

 Recognition of the Palestinian state as a UN observer.

an authoritative international conference to reach a Middle East

peace settlement.

van. Tass reported Monday.

non-Armenian families

Wednesday's quake were crushed by masonry. Kidney damage was

ments. Since they do not have to be

inal proposals included:

equipment for blood and other liauid transfusions, instruments to re-• A General Assembly call for lieve respiratory problems, ultra-UN peacekeeping forces to take sonic diagnostic equipment, over security duties from the Israeli portable anesthesia instruments. Army in Gaza and the West Bank, monitors for vital body functions • A General Assembly call for and portable dialysis machines.

The secretary-general of the League of Red Cross and Red Crescent Societies, Paer Stenbaeck, told the meeting that perhaps as much as 50 million Swiss francs (\$35 million) had so far been pledged or sent through the Red Cross in 25 countries.

Soviets Say

Medical Staff

GENEVA — The Soviet Union said Monday that no more medical

workers were needed in Armenia

and instead appealed for cranes

and equipment to cut through co-

ment and steel to reach those

trapped since last week's earth-

The appeal was sent through the

UN Disaster and Relief Organiza-

tion at a meeting of donor nations and relief agencies to coordinate

"There is no need for medical

or warm clothing," said Alexei Jon-kov, a Geneva-based Soviet diplo-mat. "All this has now been airlift-

Two Israeli military planes car-

rving medical relief teams to Arme-

ma were turned back in mid-flight

on Monday after Soviet officials

said they did not need that kind of

An army spokesman in Tel Aviv said the C-130 Hercules transport

planes had returned to Tel Aviv

and would be reloaded with medi-

Mr. Joukov said that besides

cranes and drills, specialized medi-

cal equipment was needed such as

mobile medical units and equip-ment for two 500-bed hospitals.

Many of the victims of last

one of the most serious problems

In Ankara, the Soviet Embassy

issued a list of medicines and other

medical equipment needed in Ar-

The list included antibiotics,

ed in in sufficient quantities."

No More

Is Needed

He said 26.3 million francs was

with Armenian officials in Yere-The league also said the Arme-Soviet officials heatedly denied nian Red Cross has provided allegations Monday by some Ar- clothes, shoes and toys for 250,000 menians that aid was not reaching

the victims, and that Armenian Mr. Jonkov said heavy-duty children were being taken to be placed with Russians and other non-Armenian families.

Mr. Jonkov said heavy-duty tents for 300,000 people were available and others were being housed in other buildings. (Reuters, AP)

3 Van Gogh Works Stolen In Holland, Police Report

OTTERLO, The Netherlands — Three paintings by Vincent van Gogh were stolen from the Kröller-Müller National Museum here late Monday, police reported. The museum has one of the largest Van Gogh collections in the world, the report said.

The three paintings that vanished included one of three versions of the "Potato Eaters," "Red Sunflowers" and "Weaver's Interior," police said. No estimate on their valu-

able was immediately available. The museum's alarm was triggered around 9 P.M., apparently after a window was honken. A police spokesman in nearby Ede said that "one or more paintings" had been sto-

A painting by Nicholas Poussin, the 17th-century landscape artist, sold at auction for 8.1

■ \$1.4 Million Poussin

million francs (\$1,4 million) Monday, 20 years after the Louvre Museum bought it for just 2,200 francs (then \$366). launching a long legal battle, The Associated Press reported from Paris.

The painting, "Olympos and Marsyas," executed between 1625-1628, was put up for sale by its owner, Suzanne Saint-Arroman, after a French court forced the Louvre to take the work out of storage and give it

back to her, It was sold at the Dropot-Montaigne auction house to a Swiss buyer, who bid on the painting by telephone.

WORLD BRIEFS

Sinhalese Kill 55 in Wave of Attacks

COLOMBO, Sri Lanka (Combined Dispatches) — Similalese extremists killed at least 55 people Sunday and Monday in attacks that are part of their drive to topple the government and prevent a presidential election Dec. 19, officials said Monday.

The police and military officials said most of the slayings were in the two southern districts of Galle and Matara, strongholds of the People's Liberation Front. It was the highest 24-hour death toll yet in the drive by the extremists to one the sovernment of President Jumins R. Javawar-

the extremists to oust the government of President Junius R. Jayawardene. The front contends the government is incapable of conducting a

Also on Monday, leaflets from anti-government militants ordered newspapers not to print anything about the the election, according to a spokesman for the four publishing companies. The government-owned Lake House Group and the three independent companies — the Independent dent Newspapers, the Upali Group and Express Newspapers — have vowed to dely the warning, the spokesman said. (UPI, AP)

Ishaq Khan Gets Pakistan Presidency

ISLAMABAD, Pakistan (AP) - The incombent, Ghulam Ishaq Khan, easily won his first, full five-year term as president Monday, and Prime Minister Benazir Bhutto won her first parliamentary vote of confidence.

The federal election commissioner, S.A. Nusrat, said on television that Mr. Ishaq Khan swept 78 percent of the presidential vote. Of 446 valid electoral votes cast, Mr. Ishaq Khan polled 348 to 91 for his nearest rival, the veteran politician, Nawabzada Nasrullah Khan, the commissioner said Mr. Khan has been actival manidant since Mahammad Zia nl. Hog staff, special motor vehicles, tents said. Mr. Khan has been acting president since Mohammed Zia ul-Haq

was killed in a air crash in August.

Miss Bhutto's Pakistan People's Party also scored an easy victory, 148 votes to 55, in the first test of its strength in the new National Assembly,

A Belgian Teacher Is Killed in Beirut

BEIRUT (Combined dispatches) — Gunmen using silencer-equipped istols shot and killed a British-born Belgian teacher Monday in Moslem

and would be restated with mean-cal supplies and take off again as soon as possible.

The aircraft were carrying 46 army medical workers, a military field hospital, power generators West Beirut, the police said.

They identified the victim as Arthur Van Nieuwerburgh, 65, an English language teacher who worked at West Beirut's Rrashideen School of Languages and the Moslem-controlled Makassed Cultural Center. The area is controlled by Syrian troops who moved into West Beirut in February 1987 to end three years of militia lawlessness and chaos.

"We are astonished; we don't believe it was directed at Belgians," said the Belgian charge d'affaires, Guebert Bioul. "We can't mention any reasons for it." Mr. Nieuwerburgh was walking from the Makassed Cultural Center, formerly the British Council, to his home in the Manara district when he was shot 11 A.M., the police said. (AP; UPI. Reuters)

Coats Is Picked to Fill Quayle's Seat

INDIANAPOLIS (AP) - Representative Dan Coats, a conservative facing medical teams. For this rea-son, artificial kidneys and dialysis machines were needed, Mr. Jonkov Republican who was recently elected to a fifth term in Congress, was as named Monday to fill the Senate seat vacated by Vice President-election

Dan Quayle. Governor Robert Orr of Indiana said he was appointing Mr. Coats, 45, and a former Quayle aide, in part because Mr. Coats was ready to "hit the out ground running" and would be a strong candidate for election to the seat we in 1990. Mr. Coats will serve as an appointed senator until a special clection is held in 1990 for the remaining two years of Mr. Quayle's term.

An election for a full six-year Senate term will be held in 1992.

Mr. Coats was elected in 1980 to fill the 4th Congressional District seat Mr. Quayle vacated to run for the Senate. He worked in Mr. Quayle's congressional office in Fort Wayne, Indiana, from 1976 to 1980, and was known to have Mr. Quayle's backing in the jockeying to pick a new

Libyans Reportedly Bombed Sudan

KHARTOUM, Sudan (AP) - Since September, Libyan crews have flown Libyan planes on daily bombing runs against rebel emplacements to relieve pressure on army garrisons in two southeastern Sudan towns, estern military sources said.

Libya's deepest involvement in southern Sudan's civil war since 1986, when its planes flew similar raids over wide areas of the south, occurred as moves toward peace have heightened prospects for an end to the 51/2 year

A delegation headed by Sudan's foreign and defense ministers was to eave Monday for Addis Ababa, Ethiopia, to discuss with the rebel Sudan People's Liberation Army an agreement it signed Nov. 16 with the Democratic Unionist Party, a member of Sudan's ruling coalition. The military sources said a de facto truce is holding throughout the Southst except for the bombing raids and rebel action at the embattled towns of sources.

For the Record

The acting mayor of Chicago, Eugene Sawyer, entered the mayoral rack. Sunday, citing his dedication to a united Chicago and his loyalty to its first black mayor, the late Harold Washington, who he succeeded. Mr. Sawyer had been the city's longest-serving black alderman. (UPI)

A Turkish Cypriot soldier died of his wounds Monday, the day after he was shot by Greek Cypriot troops along the UN-patrolled buffer zone dividing Cyprus, Turkish Cypriot Radio Bayrak reported. (AFP)

TRAVEL UPDATE

Paris Remains Hobbled by Strikes

PARIS (AFP) — The Paris transportion network was again crippled by strikes Monday, despite a warning from Prime Minister Michel Rocar that the Communist-led General Confederation of Labor, or CGT, would fail to win wage concessions. The powerful union last week rejected wage offers accepted by other unions representing transportation workers and civil servants.

Air France was forced to cancel seven international flights because of strike by ground mechanics, who have stopped work repeatedly over the past two months to press wage claims.

Three of 13 lines on the Paris Métro were closed, and service wa disrupted on another two lines. Rail stokes were expected to disrupted to the service Tuesday. France also suffered electricity shortages Monda because of lower production by strikers at power plants.

Travel to and from Spain will be seriously affected by a 24-hour general strike on Wednesday in protest against the government's economic policies, transport officials said. The state airline Iberia canceled internation tional flights. Only one international train will run — to Lisbon, Britis Airways said it was suspending flights to and from Spain. (Related article on Page 6.)

When Is It Too Easy to Fly an Airplane?

By William Stockton New York Times Service

len from the museum.

NEW YORK - The Airbus A-320 is an airplane with such advenced automatic systems that aviation experts are worried that pilots may become mentally disengaged from the controls and be imprepared to react with the speed necessary in an emergency.

The experts say pilots of the A-320 can almost become observers if they choose, watching computers fly the airplane more than flying it themselves. Pilots, meanwhile, generally welcome the new technology, which lessens their workload and

reduces the possibility of errors. The plane's technology will be one issue considered as the U.S. Federal Aviation Administration prepares to certify the A-320 this month, clearing the way for service in the United States by the middle

of 1989. cials in Seattle to iron out final changing role of pilots. technical questions before certifi-

placed 645 orders and options for be in the same position to intervene The computers in the A-320 have tional airplane where his brain is

to accidents. But this feature, the envelope protection system also makes it impossible to take many of the extreme and heroic actions that have prevented accidents and become a staple of aviation lore. No one is suggesting that the cockpit and controls in glowing terms. When an Airbus crashed at an air show in France in June, the new technology was immediately

ing a more serious crash. Yet the appearance of the A-320,

suspected, but it was later exoner-

ated and given credit for prevent-

Clay Fouschee, a researcher cation is granted. based at the National Aeronautics
The A-320 has already received a and Space Administration research based at the National Aeronautics

as he would be in a more conven-

been programmed to prevent pilots more connected to the system?"

Such questions have been built Such questions have been building for several years, spawned by the evolution of what pilots call the "glass cockpit," in which comput-ers and their screens have replaced many traditional dials and gauges.

In airplanes like the Boeing 767. and 757 and the McDonnell Dougairplane is unsafe, and pilots who las MD-88, computers monitor air-have flown the A-320 describe its craft systems, reporting on their status only if something is wrong or the pilot makes an inquiry. In older planes, the pilot had to scan dozens of gauges constantly to check the status of engines and hydraulic and electrical systems.

In the glass cockpit, computers plan flights and guide the airplane from one navigation station to another, automatically keeping the plane on course.

Information like airspeed, compass heading, altitude and position ed States in early 1989. Northwes are monitored by a computer and displayed on a screen. In older aircraft, they were read from individual instruments. To avoid clutteroften programmed not to show certain information at times when pi-

lots do not generally need it.

and hydraulic devices that the pile manipulates from the control who in the cockpit.

This new control program known as fly-by-wire, is widely used in military aircraft but ha never been used in commercial air liners. This is the technology that makes possible the envelope protection system, under which the computer controls are programmed to prevent pilots from making cer tain maneuvers that would normal ly be unsafe but might be needed in an emergency.

The A-320's fly-by-wire system and its computers were initially suspect last June after one of the planes crashed at an air show in France, killing three people and injuring 50. But an official inquir later exonerated the system an said the pilot was at fault.

A spokesman for Airbus Indus trie said the company expected to deliver the first A-320s in the Unit Orient Airlines has ordered 100 A-320s and Pan American World Air-

ways has ordered 16. The spokesman said 13 of the ing the screens, the computer is jets had been delivered. Air France

has taken delivery of five A-320s, but lost one in the crash, Air Inter of France and British Airways each The experts' concerns about operate three and Ansett Airlines cockpit design have particular sig-nificance for the Airbus A-320. For range A-320-200 jets.

PRISON: Glasnost in the Gulag

(Continued from page 1) which is responsible for seeing that

the camps are legally administered. Ivan R. Rakhmanin, from the procurator's office, who initially suggested a visit to Perm Camp 35, tried to cancel the trip at the last minute on the grounds that no article-70 prisoners remained there. When the trip went forward despite his objections, he said that the 62 remaining inmates were men con-

state, including treason and espio-Western human rights groups contend that the charge of treason and other serious offenses has also been used as a weapon against political dissent, often landing people in camps for 10 or 15 years simply for trying to leave the Soviet

The veneer of camp life was broken several times when prisoners, aware that a foreign group would be visiting, bolted from assigned tasks in the camp machine shop, kitchen, and other locations to tell the visitors they had been wrongly

convicted and that camp had been spruced up for the day. Vyacheslav Cherepanov, stepping suddenly from a dimly lighted room in the camp manufacturing shop, said, "Gorbachev declared

"I am a political prisoner," he shouted, as guards ordered him to return to work. Mr. Cherepanov was convicted of treason after try-

there are no political prisoners any-

ing to flee to Finland. Mikhail P. Kazachkov, confined to the camp clinic, leaned out a small window into the brittle cold to say, "We want to talk to you. It is

Camp authorities reported that chkov was suffering from the flu. Other prisoners said the illness was political and that he and several other men in the ward were considered too outspoken to be ex-

posed to outsiders. Later, as the camp commandant, Lieutenant Colonel Nikolai M.



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Osin, led the visitors across the Armenian Clash snow-covered yard, Valery Smirnov, another prisoner, appeared in

the swirling snow. Speaking in English, he said, "Listen to me, what you are seeing today is a fraud." The encounter ended as guards, snapping at Mr. Smirnov to speak in Russian, promised to produce him later for a meeting. He was not among those brought to the administration

building at the end of the visit. The visit ended with brief meetings with four prisoners. The ennters seemed surreal at times, as the defiant but nervous men declared their innocence before the camp commandant, Mr. Rakhmanin and the other government officials, who soon started berating

the inmates, then arguing with one another about camp conditions. Ivan A. Vasilyev, an inspector from the Interior Ministry, leafing through a copy of the criminal code quoted from one paragraph as he ordered one of the prisoners, Boghdan S. Klimchak, not to speak on behalf of other inmates when he

criticized camp conditions. "You are only permitted to speak for yourself," he said.

Mr. Rakhmanin, apparently determined to demonstrate to the Americans that he was doing his job and that the camp was being properly managed, lectured Colonel Osin at one point as a startled

prisoner looked on. Before the prisoners arrived, Mr. Rakhmanin ordered the removal from the room of platters of sandwiches and fruit prepared by the camp staff, saying restrictions pre-

cluded offering any of the food to

young man, whom he named as Gagik Dolmodian, who was crushed to death by a tank. Even the cubes of sugar and coffee cups were taken away.

FAMILY: A New Cast Shapes Up (Continued from page 1) 80s. At the Republican National Convention in New Orleans, all

five children were delegates from different states. Now there are predictions that the Bushes will become a political dynasty like the Kennedys. George Bush's father, Prescott, was a Republican senator from Connecticut who instilled the value of public service in his offspring. The president-elect's three oldest sons, George Jr., Jeb and Neil, have all

expressed interest in running for office. George Jr., 42, was in the oil business in Texas and ran for Congress without success. He was a senior adviser in his father's cam-

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paign and has since returned to Texas, where he may run for gover-nor in 1990. Jeb resigned his posi-tion as secretary of commerce in Florida to work on the campaign; now he's back in Miami selling real

"I hope the brothers and sisters and cousins become active in politics so we can have the same impact on American politics that the Kennedy family has had," Neil, a 33year-old Denver oilman, said re-

comparison with the Massachusetts Democrats. "We have a great family and it doesn't need to be compared to anybody else's," he William, the president-elect's brother, doesn't like the comparison either. The Kennedys have that overtone of having vast

amounts of wealth and of everyone

coming up and taking their turn at an office," he said. "I think we're

more like the Roosevelts."

But Jeb is not enamored of the

RUSINESS PROFILE NITHER REPORT OF SUCCESS AND SULCASE HETOTES OF SUCCESS AND

OUAKE: Rescue Efforts Criticized

(Continued from page 1)

kov, who was shown on television touring devastated Armenian villages, was told at one stop of a relief team that refused to deliver food to famished villagers because all the local officials who could sign for the shipment had been killed.

spoke, five members of the 12-man Karabakh Committee were arrest-"Sure, people are exhausted," said the government newspaper Ized in Yerevan. At the same time, vestia on Monday night. "Nothing army units stationed in the city since last month's ethnic disturlike this has ever happened before, and blunders are inevitable. But how long must we wait for orders in began enforcing much more rigid regulations against unauthorized extreme situations?

While lauding the heroism of the Rafael Popoyan, a leading Arrescue effort, Izvestia lambasted menian activist, said in a telephone officious bureaucrats who delayed interview from Yerevan that it the burial of the dead by insisting seemed that Mr. Gorbachev had on filling out paperwork. come to Armenia "to exploit" this

The press also stepped up its tragedy and "crush our moveattacks on construction office who permitted erection of build-"It's a very convenient moment ings that collapsed quickly in a for him," the activist added. "Evknown earthquake zone. erybody is preoccupied with the earthquake and there are few peo-Pravda contended that the inadple left in Yerevan. Many young

equate buildings, like many other failings of the Soviet system, could be attributed to Leonid I. Brezh-According to Mr. Popoyan and other Armenian activists, violent clashes took place in several parts nev, the former Soviet leader whose 18 years in power are now referred to as "the period of stagnation." of Yerevan on Sunday following

"Practically everything constructed during the years of stagna-tion collapsed," Pravda wrote. The activists said that the army Pravda said many buildings seemed to have more sand than

tions and, in at least one incident. concrete in the construction mateopened fire above the heads of the rials, and hinted that those who ignored the warnings of seismolo-gists might be criminally liable. The demonstrators, who num-bered several thousand, responded by throwing stones at the soldiers. President Mikhail S. Gorbachev An unknown number of injuries called for an investigation to deter-

were reported on both sides. mine who constructed high-rise buildings in defiance of seismolo-gists' advice, and to discover why Mr. Popoyan said that he knew a many of the buildings were made of cement diluted with too much

"It means that cement was being stolen. By whom?" Mr. Gorbachev Sunday during a meeting

CRASH:

Rescue Accident (Continued from page 1)

nior aviation official said the controllers, while under strain, were well-qualified and in command of the situation. Asked whether the authorities would halt night flights after the incidents, Mr. Panyukov said there was "no need" to do so as Yerevan.

airport had "all the necessary equipment for safe night flights." Mr. Panyukov said flights were being handled according to international air traffic standards. "If we could not ensure security, we would refuse entry into our airspace," Mr. Panyukov said. In a less optimistic appraisal, the Novosti news agency described the situation over the surport of Yes-

van as "very complex."
"Within 24 hours on Dec. 10,

about 80 Soviet transport planes

landed there," the agency said. "The situation in the air is tense, and words fail to describe it."

tic service, has also been certified in "If something goes wrong," the first time, an airliner will be Australia. About 24 airlines have asked Mr. Fouschee, "will the pilot controlled without the steel cable the plane, a spokesman said,

f 1989.

A team of engineers from Airbus of the Boeing 747 jumbo jet that Industrie of Toulouse, France, can be programmed to fly from manufacturer of the A-320, and a California to Tokyo with virtually group of French government avia- no effort from the pilot, has given a tion officials are due to begin a new urgency to questions about the round of meetings with FAA offi- design of airplane cockpits and the

joint European certification from center in Mountain View, Califor-Britain, France, West Germany nia, said there was concern that in and the Netherlands. The plane, time pilots might not have the same which carries 150 to 160 passengers grasp of the airplane's systems as in (AP, UPI, Reuters, AFP) and is designed mainly for domestic more traditional craft.

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whethe government and prevent a product said Monday.

Ministery officials said most of the slower facts of Galle and Matara strongholds of the was the highest 24-hour death of president limits on the government of president limits.

Outcomes the government is incapable of a contends the government is incapable of a contends.

p and the three independent companies the brail Group and Express Newspanies, the spokesman said.

an Gets Pakistan Preside Pakistan (A2) The incumbent Globale st. full five van lerne as president Monte Shruto word en first parliamentary words said of the president said of the president words with the polled 348 to 91 for the president of the president words as a said of the president of the president words with the polled 348 to 91 for the s creation angular Passing Passing Party also scored as east a first tent of the strength in the new Nation

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Force and American Van Nieuwerhaute, which are not at West Bennu's Roads are Managed Chief and Street and Stre of state of the state of malities lawlesses with in the state of th George Bioul Me Carlo Men West Actions and walking from at the Council to his forms Picked to Fill Quayle's From the bipartisan panel, once

Hopes for a comprehensive panel, once age from the bipartisan panel, once t

faded. Mr. Lewis indicated Sunday that the panel would probably be the the panel would probably be to strengthen laws that would limit the ability of powerful drug traffickers to appointed smart be proposed and the next year in the event of a late next year in the event of a deadlock on the budget.

He said, "I think the timing of at a news conference over the weekled." But we were indeed overwhelmed by the specifics that were whelmed by the specifics that were Senate. He worked and an the lockshifts

Reportedly Bombed's terview that it was too early to determine the best time for issu-- Since September line ance of the report, because President-elect George Bush had not stated his preference.

- 15.50 2.2 en en var en en en en en en Sudanis ordigi of several controversial proposals ed States," the State Department for shrinking the deficit. The panel has said. region of the control Since to discuss while the control of Since No. Since No

TRAVEL UPDATE

emain- Hobbled by 🕅

F-me Minuse I

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possibly taxing some of the benefits that people receive." The transfer and the artist at the state of the state of

Record and gasoline. Mr. Strauss hedged his com-THE REPORT OF THE PARTY OF THE ments with indications that he The Character would favor such proposals only if The MANAGEMENT STORES it were clear that a tax increase were needed to shrink the deficit. The second of the second Medical But he indicated, in more blunt and the L'Appendix terms than he has in the past, that

"I have been looking only at spending cuts," he said. "I must tell you that, in my judgment, I have not found sufficient spending cuts to make up the shortfall."

Mr. Lewis agreed that tax increases aimed at consumer items such as gasoline would be the most

preferable tax option.

other Republicans on the panel wanted to reduce federal spending. He said he favored looking first at Mr. Bush's "flexible freeze" proposal, which would curb federal programs by holding their growth down to the rate of inflation. Beyond that, he said, "I think

But Mr. Lewis said that he and

Alem nee district The second second Committee there are areas which we may call taxes but they're not taxes." He over to drug traffickers. mentioned rebates to the federal government from people who make murdered Mr. Camarena and a more than \$90,000 a year in retirement and who are getting Social Security payments or are on Medicaid-Medicare. "And if they have a large estate," he added, "why not rebate that money to the federal the importance of and then dramed his fact on the investion.

government."
Social Security provides retirement benefits and disability pay-ments. Medicare is the federal health program for the elderly and disabled. Medicaid is the federalstate health program for the poor. Mr. Lewis was presumably mistaken in suggesting that his proposal might apply to Medicaid, for which those with large estates are rarely

In the interview, Mr. Lewis explained that his Medicare proposal would affect persons who leave estates that exceed \$600,000, which is the threshold at which the estate tax is levied. The Medicare and Social Security proposals, he emphasized, "are things I've thrown out, not things the commission has decided."

Explaining the Social Security proposal, he said that he favored limiting benefits for retirees with incomes higher than \$90,000 to the -amount they paid into the Social Security trust fund, plus interest. Many retirees, he said, get \$5 for every \$1 they paid in. Benefits might be cut on a sliding scale, he said, with the cuts becoming "rather severe as you approach the \$90,000 level — after that point, you could not get any more than the amount paid in plus interest."

U.S. Blows Up a Gulf Mine

BAHRAIN — The U.S. Navy blew up a mine found drifting in the central Gulf near Bahrain, shipping sources said on Monday.

Proposals U.S. Military: Has Enhanced Security Been Worth the Cost? By Andrew Rosenthal

Made on

Medicare Funds

By Paul Blustein

the government ought to be able to recover some Medicare payments from the estates of wealthy people

Mr. Lewis also said he favored

substantially cutting Social Security benefits for retirees with incomes

higher than \$90,000, and imposin more modest benefit cuts for those

who are less well-to-do.

Mr. Lewis's comments Sunday
on the NBC television program

"Meet the Press" were the most

specific deficit-cutting proposals

advanced in public by a member of

the National Economic Commis-sion, which Congress created to

propose solutions to the \$150 bil-

His ideas are sure to draw fire

from groups representing the elder-

ly, which argue that people who receive Social Security and Medi-

care benefits paid taxes to get the

benefits and should be entitled to

them regardless of income, But in

an interview after the program, Mr.

Lewis asserted that many wealthy retirees received much more in

president if it were Sept. I rather

than March 1," the current dead-

Robert Strauss, the panel's Dem-

ocratic co-chairman, said in an in-

determine the best time for issu-

On the NBC program, Mr.

Strauss also indicated his approval

he said, ought to "think in terms of

-He said, "A fellow like me who

has a large income, who receives America.

who have died:

lion budget gap.

Washington Post Service
WASHINGTON — Drew Lew-

Deficit

New York Times Service WASHINGTON - After a military buildup that cost the United States 52 trillion, President-elect George Bush will inherit armed forces that are better educated, better trained and generally better armed than when Ronald Reagan won the White House in 1980.

Could Be Tapped But the largest U.S. peacetime rearmament leaves Mr. Bush with many of the same problems that existed eight years ago, including lingering shortages in navy torpe-does, army artillery shells and air is, the Republican co-chairman of a high-level advisory commission on the federal budget deficit, has said

And Mr. Reagan's most widely recognized achievement, the im-provement in military personnel, is the most likely target for budget cutters, particularly in view of the announcement last week of

Crackdown

By Larry Rohter

New York Times Service

Carlos Salinas de Gortari has

promised a visiting committee from the U.S. House of Representatives

that his new government will step up its war against drugs with ef-forts that will "make life miserable

for drug traffickers," members of

The chairman of the House Select Narcotics Committee, Repre-

sentative Charles B. Rangel, Dem-

ocrat of New York, said Mr.

Salinas and members of his cabinet

had told the delegation that Mexico

would expand its efforts beyond

drug eradication and interdiction

to root out official corruption and

whelmed by the specifics that were

given to us, and more importantly

by the depth of that commitment.

In recent years, dramatic in-

made Mexico "the largest single-

stop the production and shipment

Mr. Alvarez del Castillo was gov

ernor of the state of Jalisco in 1985, when a U.S. Drug Enforcement

Administration representative, Enrique Camarena, was abducted by

the Jalisco state police and handed

The traffickers then tortured and

Drug Enforcement Administration

dragged his feet on the investiga-

tion of the Camarena case, and his appointment has irritated many at the State Department and the Drug

Enforcement Administration in

American officials in Mexico

City have called the nomination "a

slap in the face" and "the wrong

curity" for Mexico.

corruption on the drug issue.

the delegation say.

MEXICO CITY - President

On Drugs

on over a fundamental question: administration's buildup has not Has the enhanced security been been conducted with a coherent worth the cost and will it still keep the country safe now that the days the nation with military programs of increasing military budgets are a it cannot afford and with gaps in its fading memory?

Caspar W. Weinberger, who presided over the Reagan buildup as secretary of defense for more than six years, said the country had achieved its basic rearmament objective.

"There is now a correct perception of America as a country that has not only gained great military strength but has also regained the resolution and the will and the determination to use it when it is absolutely necessary," he said. Representative Les Aspin of

Wisconsin, the Democratic chair-

planned troop cuts by the Soviet man of the House Armed Services needed to carry American fighting leader, Mikhail S. Gorbachev.

man of the House Armed Services needed to carry American fighting forces to distant battlefields, in millinearly doubled spending, from which figures are available, that view, suggesting that the Reagan overall strategy and that it has left

> military structure. "The sorry truth," Mr. Aspin said in a speech last week, "is that we've never done a decent job of selecting a national security policy. of matching ends and means, of matching what we'd like to do with what it would cost to do it."

The army has a new generation of tanks and rocket launchers, the navy has more ships, and the air force has greatly expanded its stock of fighters.

But the military has not filled some critical gaps, including those in the number of ships and planes

itary housing and child care, in \$146 billion in 1980 to \$264 billion, figure had risen to 93 percent. combat medicine and in munitions although the increase amounted to stockpiles.

In addition, after spending about \$170 billion on strategic nuclear forces, the debate over which new long-range missile to buy and how to protect it from attack has not been resolved.

The old rivalry for money among the services seems certain to worsen as budgeting gets tighter, and there is debate over whether the country can afford to keep running its improved fighting machine, much less proceed with some of the most expensive weapons programs like the Stealth bomber and a new attack submarine, the Sea Wolf.

53 percent after accounting for in-

But the past four defense budgets have declined when adjusted for inflation, with spending for the current fiscal year estimated at \$300 billion. Although Pentagon officials are hoping for a 2 percent increase next year after inflation Mr. Bush has said the military

The volunteer armed forces stands out as one achievement on which there is wide agreement.

"There was a loud explosion, and

Red Cross officials at the scene

According to the Defense De-Under Mr. Reagan, military partment, only 68 percent of all budgets climbed steadily at first. recruits were high school graduates

might only keep pace with infla-tion, and there is talk in Congress

In the army, which has the hard-

the percentage of high school graduales rose from 54 percent to 91 percent. Retention rates also are

Another positive development, said Jay P. Kosminsky, a military analyst for the conservative Heritage Foundation, is an increase in flying hours for pilots in the air force, to 18.8 hours a month from 15.6 hours.

Steaming hours for navy ships also rose. The percentage of the time that planes are ready for combat has increased in the air force to 78 percent in 1987 from 66 percent in 1980, Mr. Kosminsky said. But critics say the military has

spent too much on new weapons that are complicated and expensive and not enough on ammunition and supplies. Critics also say say the navy and air force are insufficiently prepared for an operation that would carry

soldiers to a war in Europe in spite

of a doubling of spending. Many military analysts say such a war is unlikely to occur anyway. The Reagan administration's re-cord on nuclear arms is mixed. The installation of medium-range missiles in Europe was expensive, but generally marked as a success since

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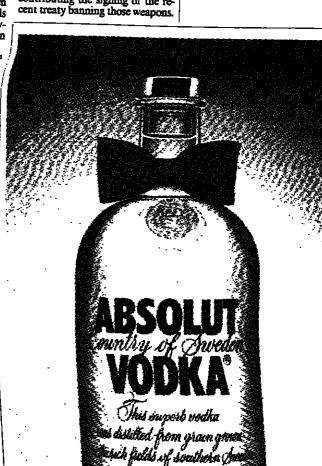
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Mexico Vows 62 Dead in Mexico City Fireworks Blaze

MEXICO CTTY — The death lice control would be stepped up in the area and the authorities would

Blasts Rip Through Stalls in a narrow side street adjoining the city's Candy Market. toll rose to 62 on Monday in a fireworks explosion that devastated a crowded marketplace Sunday, and authorities ordered some rockets banned.

"We will take strong steps to prevent a recurrence of this trage-" said the mayor of Mexico City,

lanuel Camacho Solis. He said the sale of rockets would

the fire on Sunday. It was still not clear what caused the explosion, which spread with

fearful speed, giving the hundreds of streetsellers at the Ampudia market virtually no time to escape from the cramped area. Fire brigade officials continued

Larry Rohier of The New York Times reported earlier from Mexico then rockets started flying all over

the place," said Sylvia Leon Rivera, owner of a candy stall. "Then there The fire began at mid-afternoon at the Merced Market, south of were a lot of fires, and people startcentral Mexico City, while the ed running this way and that." streets were crowded with Christmas shoppers. Witnesses said the

first explosions took place in stalls

said they would not vote.

sympathy or affection.

election, where the coalition-build-

ing skills of each party would be

wooing the undecided vote.

said 14 of the dead were children and 25 were women. The officials said that all of the victims discovered as of Sunday evening had been burned to death.

"The poor people crowded into
the storerooms and were trapped
there," said Juan Said Homse, di-About 28 percent of those polled rector-general of the Mexican Red Cross. "We have found three were undecided, and 15 percent

groups of at least a dozen people, The results of this poll, the most all of them unable to escape." broadly based to date, roughly par-allel those of one conducted in Oc-From the side street, the fire spread to a two-story building of tober by a Gallup affiliate and an shops selling candy and fireworks internal Christian Democrat poll. that had been illegally stored. It But ARENA says its polls show also affected the Candy Market, a leading the Christian Democrats multistory building that has apartby 54 percent to 31 percent, a mar-

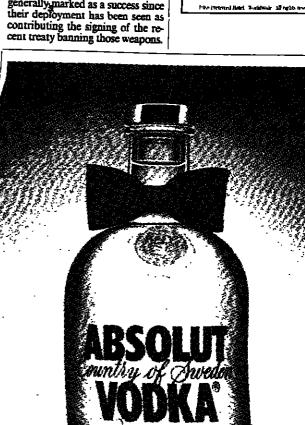
ments, and at least three other comgin most analysts consider suspect, mercial and residential buildings. On the streets around the mar-"In March, the people wanted to ket, Christmas ornaments, shoes punish the Christian Democrats, and especially Duarte," said one and boxes of crayons littered the longtime observer. "In 1989 he is ground. Up and down the block where the fire started, windows the hero, very macho as he battles were blown out and stalls were

cancer. We are a generous people, and people feel Duarte was punblackened and twisted by flames. ished and there is no bitterness, so The sale or possession of firethey will support him again, out of works is prohibited in the capital because of the danger of fire and explosion. Nonetheless, fireworks If no candidate wins more than Mr. Duarte during treatment a 50 percent of the vote, an increas- are a popular part of celebrations military hospital in Mexico. ingly likely prospect, the two top marking the Day of the Virgin of vote-getters will face off in a runoff Guadalupe, whose feast day was

Monday, and Christmas.

said that despite the prohibitions, Both major parties are expected to spend \$3 million to \$5 million in vendors sell fireworks after making payments to police and other city

A group of vendors at the market



El Salvador President Rallies Party

By Douglas Farah

Washington Post Service
SAN SALVADOR — A surprising physical and political come-back by President José Napoléon Duarte is spearheading a resurgence by the Christian Democratic Party in El Salvador's presidential election campaign, according to re-

cent polls and political analysts. After legislative and municipal elections in March, in which the rightist Nationalist Republican Aliance of former army Major Roberto d'Aubuisson trounced the Christian Democrats, Mr. Duarte's party split and appeared on the verge of collapsing as a major polit-

in the past, Mr. Rangel has often been critical of what he has called ical force. Mr. Duarte's personal approval Mexican government inaction and rating had dropped to below 25 percent, according to his own par-ty's polls, and ARENA, capitalizcreases in drug production have ing on the Christian Democrats' image as being corrupt and incom-

country source of the heroin and marijuana imported into the Unit- petent, appeared assured of winning the presidency next March, But Mr. Duarte, 63, who has in-Mexico is also emerging as an increasingly important transshipoperable cancer, has rebounded rement point for cocaine on its way markably, and polls show that he is to the United States from South

now considered an asset rather than a liability to his party, with an Social Security today, pays no tax
on a big part of it. That's crazy."

He added that he "would have no de la Madrid, drugs were often a months away, the trend is encouraging for U.S. officials, who have hesitancy" about raising excise tax- point of contention between the aging for U.S. officials, who have United States and Mexico, with made Mr. Duarte and the Christian American officials charging that Mexico was not doing enough to Democrats the linchpin of a policy that seeks to isolate Marxist-led re-

bels and control the violent right by

of drugs. Mr. Salinas, whose six-year term building a centrist democratic probegan Dec. 1, has said he believes that combating the drug traffic has become "a question of national se-The campaign officially kicked off last month, and the United States, which has poured \$3 billion in economic and military aid into El Salvador since 1980, views the In his inaugural address, he said that he would set up a special drug-fighting unit within the office of the attorney general, which is in charge elections as crucial to its policy in Central America. While saying publicly it will support whoever wins fairly, U.S. officials have done little to hide their fears that a victory by ARENA could set back the of government efforts, and that he would "pursue with redoubled energy those who promote traffick-

ing, whoever they may be."
But Mr. Salinas's strong lan-After having much of his stomach removed, Mr. Duarte lost most of his hair and dropped from 210 guage has been undercut somewhat his decision to name Enrique Alvarez del Castillo as his attorney pounds (95.2 kilograms) to 136; he

looked lost in his suits and was barely able to speak above a whis-But after three rounds of chemotherapy, he has added about 20

pounds and recovered his voice, holding a series of rallies in recent weeks in his old, fiery style. Even after being hospita briefly for complications from che-

motherapy in Mexico City this month, Mr. Duarte is still much improved, according to his physicians. "Doctors tell me we are isolating the cancer, and that gives me strength and energy to isolate and corner the enemies of the people," he shouted at a rally last week. A nationwide poll of 1,004 peo-

ple conducted last month by the Jesuit-run University of Central America, showed the ARENA candidate, Alfredo Cristiani, with 26.2 percent, followed by Fidel Chavez Mena of the Christian Democrats with 21.3 percent. In third place, with 6 percent, was the leftist coalition known as the Democratic Convergence, participating in elections for the first time since the nine-year-old civil war began.

Argentina Will Give Military 20 Percent Raise and Bonus

nuses equivalent to about \$115, of-

eral said it was part of an agree-ment the army leadership struck with the rebels to end the uprising.

President Raul Alfonsin claimed last week that the government

Seineldin, the rebel leader, surren-

plaint" by the armed forces. General Humberto Ferrucci, commander of the Fifth Army Corps, said Monday the raise and bonus were part of an "agreement" between nast week that the government the rebels and General José Dante made no concessions to end the Caridi, the army chief of staff.

New York Times Service BUENOS AIRES — Trying to rebellion by 855 men in several units in the Buenos Aires area. But restore discipline in the army a shortly after Colonel Mohamed Ali week after a rebellion, the Argen-

tine government has agreed to give all members of the armed forces tine government has agreed to give all members of the armed forces salary raises of 20 percent and bo-

Cesar Jaroslavsky, a congressio-nal leader of Mr. Alfonsin's Radificials said Monday.

A congressional leader said the raise had been under consideration stemmed from "an earlier complaint" by the armed forces. Generalized forces.

Southeast Asia Opium: Prime Time By Steven Erlanger

New York Times Service BANGKOK — With the best

opium growing conditions in years occurring while the Burmese Army is preoccupied with political dis-sent, the flow of Southeast Asian opium and heroin to the rest of the world may increase by as much as 20 percent over last year, Western diplomats say. Last year, from 25 percent to 30

ercent of the heroin used in the cades, finance themselves through United States came from Southeast Asia, up from about 18 percent in 1987, the diplomats said. Almost 70 percent of the herom used in New York City is Southeast Asian, In Burma alone last year, about

world's largest and highest-quality source of the drug. In Burma, the military govern-

ment that took control in a coup stilling pro-democracy demonstrations centered in Rangoon, the capital, rather than on its campaign against the insurgent ethnic minorities that ring Burma's borders. Many of the minorities, which have been fighting for autonomy for deopium, a traditional crop among

the hill people. Western condemnation of the government's methods of suppressing the wave of dissent has also up from about 5 percent five years meant a suspension of economic ago, according to the U.S. Drug and military aid, including about 56 million to \$8 million to a military aid, including about 56 million to \$8 mil meant a suspension of economic S6 million to \$8 million to cradicate In Burma alone last year, about opium crops. The diplomats said 1,200 tons of raw opium were harvested, with another 100 tons to mean the Burmese Army would not 200 tons harvested in Laos and try to interdict shipments, but they about 27 tons in Thailand. The admitted it was likely that opinm crops yielded about 140 tons of growers and shippers would be able heroin, making Southeast Asia the to operate with impunity.

In addition, the weather has been ideal, with growing conditions in the Golden Triangle, where Burms, Laos and Thailand meet, "as good Sept. 18 has been concentrating on as they have been in many years," as one of the diplomats put it. Even so, they said, limitations of

land and labor mean that produc-

tion is unlikely to rise more than 20 percent over last year once the harvesting is finished in February. The diplomats said that as the U.S. government has achieved some successes in prosecuting major figures in the Mafia, Chinese gangs with better connections in

Southeast Asia have taken their place. They said that in recent years the entire trafficking network, from grower to refiner to shipper to street seller, has become more sophisticated, with many groups in-

"It's like any other marketing endeavor or field that shows oppor-unities for growth," a diplomat

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Gorbachev's Eerie Return

It was a somber Mikhail Gorbachev who broke off a celebratory political mission in New York to tend to the aftermath of the earthquake in Soviet Armenia. That such a tragedy - the death toll is put in the tens of thousands — was happening in a country whose leader was at that moment carrying to the United States a promise of better days brought the event home to Americans in an unusual way. There is no doubting the sincerity of the expressions of compassion and offers of aid that came at once from all levels of American society.

Whatever else can be said of Mr. Gorbachev, he has had his share of bad luck on his watch: the nuclear disaster at Chernobyl and the earthquake are two prominent examples. He arrived in New York, moreover, to the murmur of speculation inside and outside his country that unrest in the Transcaucasian and Baltic regions was taking on proportions of a threat to his power. It is eerie that he should have been summoned back by physical catastrophe in one of the

border republics already in deep turmoil.

In fact, Mr. Gorbachev has shown uncommon alertness and skill in turning past embarrassments to political advantage. There is nothing mysterious about it: Crisis rearranges the pieces of things and makes new

did the initial cover-up of Chemobyl provide leverage for a great leap forward in the application of glasnost, or openness. A young German pilor's landing in Red Square handed Mr. Gorbachev a gift opportunity to shake up the Soviet military command.

Will he be able to use the earthquake crisis somehow to ease the strains running in the earthquake region? In more cynical terms, will he be able to exploit it against those in the region who are causing him grief? In the last two weeks more than 30 persons have died in violence in Armenia and Azerbaijan, where since last February more than 150,000 people have left their homes. There and elsewhere, the basic complaint is the insensitivity of the central government to local concerns. Just last week Mr. Gorbachev was sharply criticized for his handling of the Armenia-Azerbaijan affair by a Soviet political activist. Sergei Grigoryants, speaking from an Armenian jail.

But now, in an emergency humanitarian context, the central government is trying to show that it cares. Mr. Gorbachev is making a show of his personal concern. More than the relief of a devastated region is at issue — and in play.

- THE WASHINGTON POST.

In Athens, Jungle Law

Greek justice. Now there's a real oxymoron. Consider the case of Abdel Osama Zomar, 27, a Palestinian who reportedly is a member of the notorious Abu Nidal organization. The Greeks arrested him at the border in 1982 for arms smuggling. It turned out the Italians wanted him for his suspected involvement in the 1982 grenade-andmachine-gun attack on a synagogue in Rome in which a 2-year-old boy was killed and 37 other persons were wounded. At first the Greeks agreed to extradite him. But the other day they decided not to because, as the justice minister in the government of Andreas Papandreou put it, Mr. Zomar was "acting in the struggle" for the independence of his homeland. Circumstances have changed, said Athens: The Palestinians have declared an inde-

pendent state and renounced terrorism. he man was put on a plane to, yes, Libya. When a known terrorist like this is released, it's shocking," said U.S. Secretary of State George Shultz. This is not the first quarrel over extradition, a procedure valnerable to political strains. Still, among allies such as Greece and Italy, states that face similar Mediterranean hazards, one would expect minimal cooperation. Not even an iota of self-interest was present in this case. There is a political explanation for Greece's conduct, of course, or several explanations, but who can possibly care? It is

hard to recall any single case that does more

to make an ostensibly civilized, law-abiding

state look like a jungle. Greece has put out

the welcome mat for terrorists. — THE WASHINGTON POST.

Rostenkowski's Solution

Undaunted by all the Texans with commanding positions in the next U.S. administration and the new Congress, Dan Rostenkowski, chairman of the House Ways and Means Committee, advocates raising the taxes on gasoline and diesel fuel. He is both brave and wise to do so.

Deficit reduction requires more revenue. Higher gas and diesel taxes make sense because they yield a big bang for the buck - \$1 billion of revenue for each penny of tax. Beyond that, they would conserve energy, reduce dependence on foreign oil and cut the trade deficit. And the basic taxes are already in force, at 9.1 cents on gas and 15 cents on diesel oil, making additions easy.

None of this impresses the No. 1 Texan, President-elect Bush. He says that the budget can be balanced without new taxes. Perhaps, like President Reagan, he would someday "reluctantly" accept an increase, but only after a prolonged standoff permitted him more plausibly to blame the Democrats. No especially on consumption. While many thanks, say the Democrats. They want Mr. Bush to bell the cat; piously, they insist that leadership is a president's duty. The standoff is evident, even before Inauguration Day.

Meanwhile, Mr. Rostenkowski has problems with potent Congressional Texans, too - Speaker Jim Wright and the Senate Finance Committee chairman, Lloyd Bentsen. They like oil import fees, which would permit U.S. producers to raise prices and, they claim, encourage exploration. But import restrictions are bad trade policy. Restricting oil would be a bonanza for the oil patch and harsh on the Northeast and Mid- problem and offered a sane solution. dle West, heavy users of imported heating

eign earnings so badly that there would be irresistible pressure to exempt them. Canada would also be exempt, because of the U.S.-Canadian free-trade agreement.

A lot of non-Texas Democrats don't like Mr. Rostenkowski's idea either, because excise taxes hit the poor harder than other people. But this one would not hit anyone much. A driver who logs 10,000 miles a year and gets 20 miles to the gallon would pay about \$75 annually for a 15-cent increase. And the price per gallon, adjusting for inflation, would be no more than it was 20 years ago. Even so, the poor would suffer most; the earned income tax credit could be adjusted to shelter most of them.

Predictable opponents of a gas tax auto manufacturers, truckers, road builders have already formed a coalition to fight it. But an impressive array of business leaders and economists support higher taxes, want a broad sales or value-added tax, they would settle for something narrower. Alan Greenspan and Paul Volcker, the present and former Federal Reserve chairmen, and former Presidents Ford and Carter all emphasize the gas tax as the obvious, most efficient way to raise revenues quickly.

How much can the tax be raised? Reducing the budget deficit and conserving energy warrant a 50-cent increase, phased in over several years. But whatever happens, give Dan Rostenkowski credit for facing the issue squarely. He has defined the core

-THE NEW YORK TIMES

Other Comment

The Threats to World Trade

The U.S.-Canadian trade pact, together with Europe's unified market in 1992, means that within five years most of the world's wealthiest nations will be presenting common economic fronts to each other and the rest of the world. But that isn't the end of it: President-elect Bush has said that he hopes to expand North America's approaching economic condominium to en-compass Mexico, using this in turn as leverage for negotiating a merger with Europe under "a trans-Atlantic free-trading zone."

Outside Japan, many Asians seem to think these trends won't affect them much. They should think again. In recent years the world's capital flow has become more and more concentrated among rich countries: bonds, real estate and equity in high-performance and advanced industries, instead of the unplowed fields of developing countries. The possibility of a North Atlantic trading empire threatens to deepen the capital deficit, even as it imperils Third World exports. Europe may say that it will offer all comers an entry to its market on a strictly fair quid pro quo basis, but by dealing bilaterally with trading partners it, in effect, proposes to bypass the collective approach and cre-

ate a world order according to its rules. In turn, the most effective tool for preventing this is another trading bloc: a Japan-anchored Asian community with real bargaining strength. Though much of Asia still fears being dominated by Japan, al-ready Korean and Taiwan businesspeople are talking about such a community as inevitable - and no Asians have been warier of the Japanese than the Koreans. The Asian neighborhood has plenty of mutual

advantages that all could share, but the

biggest is making sure that world trade isn't divided and ruled by a rich man's club. - Asiaweek (Hong Kong).

Barber B. Conable, president of the World Bank, at the Montreal trade review meeting, painted an economic future clouded by "growing protectionism," by "the disturbing pattern of world trade" in which both Africa and Latin America have fallen behind, by the growing use of non-tariff trade barriers and by growing bilateralism with more "productby-product, country-by-country deals." The effect of all of this has been to reduce the developing nations' gross national products by about 3 percent, an amount twice the foreign aid provided by developed nations. - Los Angeles Times,

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neurlly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698

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S.A. au capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Parliatre No. 61337

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OPINION

A Vietnamese Assesses Hanoi's Attempt at Perestroika

HO CHI MINH CITY — A major restruc-turing of economic thinking and manage-ment is under way in Vietnam. The theoretical approach to socialism has given way to greater pragmatism. This reform process, intensified by the Communist Party congress in 1986, aims to liberalize the economy, cut state spending and reduce a huge budget deficit.

Since December 1986, a new group of party and government leaders has emerged, headed by General Secretary Nguyen Van Linh. The National Assembly election of April 1987 brought major change: 60 percent of those elected were new to the legislature. They come from a variety of backgrounds. About 10 percent, including me, do not belong to the Communist Party.

The assembly is much younger in age and spirit than its predecessor. It scrutinizes official actions more closely and initiates policy recommendations, some of which have been adopted.

The temporary division of Vietnam at the Geneva Conference in 1954 produced two contrasting economic systems. The North was characterized by collectivization of agriculture and an attempt to build an industrial base and infrastructure on a classic socialist model. The economy of the South was patterned on capital-ist lines of nation-building. It was heavily dependent on foreign aid and trade.

By the time of reunification, after the Vietnam War ended in 1975, the South had laid a significant base of small- and medium-sized factories for production of consumer goods. More than any other part of the country, Ho Chi Minh City, formerly Saigon, had created a large service industry, including an efficient commercial banking system.

One of the most pressing postwar problems in Vietnam has been how to integrate these two diametrically opposed economic systems.

Shortly after the fighting finished, hasty By Nguyen Xuan Oanh

preparations were undertaken to force integration of the two economies. A Marxist model of building socialism was imposed on the South. Little consideration was given to the great differences in socioeconomic development, or to the very different attitude toward business prevailing in the South, where entrepreneurial initiative was deeply entrenched.

Several factors - overambition by planners in

Despite efforts at radical, market-oriented reform, recovery remains slow.

the North, natural disasters, mismanagement, neglect of the productive capacities of the South, expulsion of ethnic Chinese traders and businessmen from Vietnam - led to a sharp deterioration of the Vietnamese economy by 1979. Seven years later, despite tentative steps toward liberalization, the situation had worsened.

The political report to the party congress in 1986 warned that the country's population was increasing far more quickly than were agricultural and manufacturing output. Shortages, it said, were rife in energy, raw materials, food, clothing and other essential consumer goods.

The report described inflation as "rampant"

and prices as unstable. Unemployment was widespread, and the livelihood of workers was fraught with increasing difficulties."

The congress endorsed a more systematic and

radical package of market-oriented reforms. Despite these measures, recovery has been slow.

It will continue to be difficult. The reforms have overwhelming popular support, but applying them takes time and is meeting some resistance. The bureaucracy has to be persuaded and cajoled. Vietnam's leadership, while it sees the need for greater economic efficiency, wor-

ries that too many liberal measures may slow down the march toward socialism. Overpopulation is retarding economic growth. Vietnam is a densely populated country: It has

64 million people in an area of only 300,000 square kilometers (130,000 square miles). The annual birthrate still exceeds 2 percent. Family olanning has not been effective. The government recently introduced stricter measures to discourage couples from having more than two children.

In April the Polithuro passed a resolution designed to make family farming a driving force in agriculture. The right to till large areas of rice land is being restored to individual farmers and

state or on the free market, once they fulfill a government production quota or a tax in kind. Tax rates are being increased. At present there is no income tax in Vietnam, and other taxes contribute only about 13 percent of government revenue, a much lower ratio than for most countries. Efforts are also being made to improve collection, which has been shared inequitably and in a confusing manner between

central and regional authorities.

In banking, the functions of monetary management and control have been separated from the provision of commercial credit to business. This should give the state bank more autonomy in carrying out its statutory function of credit regulation and control of money supply. New commercial and specialized banks are being set up to supply loans to the business sector, includ-

ing private enterprises and joint venture firms.
Victnam is working toward the chimination of multiple exchange rates. The ultimate aim should be a simplified system with no more than two rates: one for commercial transactions, the other for fund transfers. Both should float at levels much closer to free market rates

Under the present system of overvaluing the currency, the government, in effect, pays large subsidies for exports. Exchange rate adjustment should sharply cut these subsidies.

Decentralization in Vietnam and lax control

over foreign exchange transactions have had a major impact on the import of luxury commodities. Hard currency earned from exports by local government trading corporations is apout on bringing in too many consumer goods and too few items needed for productive purposes.

Exchange rate reform will also lead to better management of state-run business entities They will have to price imported goods at market rates and learn to operate without the heavy government subsidies that have been such a drain on the budget for the last decade.

Vietnam liberalized its foreign investment law their families. They are offered long-term leases, with freedom to sell their produce either to the

last year, and concerted efforts have been made to attract foreign investors. But potential investors remain concerned about unchecked infla-

tion and slow progress on exchange-rate reform.

That is a pity, because these foreign investment projects will bring new technology, capital and, above all, management techniques that Vietnam needs if it is to achieve economic takeoff and self-sustained growth.

The writer, who was a senior official in the government of South Vietnam and with the Inter-national Monetary Fund, has emerged in recent years as an economic adviser to the government of years as an economic acouser to the Sovernment to the International Herald Tribune.

East-Bloc Emancipation: The Search for a Model

By Max Jakobson

HELSINKI — As East-West talks West of Finland is neutral Sweden; on cutting conventional forces in west of Poland is Germany. At Yalta Europe approach, the future of the socialist regimes in Eastern Europe is rising on the international agenda. Even the limited withdrawal of Soviet forces from Central and Eastern Europe promised by Mikhail Gorbachev at the United Nations last week is bound to affect Moscow's relations with its Warsaw Pact allies. The crucial issue will be how to manage an emancipation of these countries without upsetting stability in Europe.

Henry Kissinger, among others, has held up Finland as a possible model. Here is a country that combines Western democracy and prosperity with friendly relations with the Soviet Union. In a Newsweek article in September, Mr. Kissinger asked: "In the long run, aren't arrangements in Fin-land more useful to Soviet security than those in Eastern Europe?"

The question sets Europe back to square one - back to Yalta. It was agreed at the Big Three conference in February 1945 (or so the Western allies thought) that while the Soviet Union was entitled to make sure that the neighboring countries would be run by "friendly governments," the peoples concerned must be free to choose their own systems. As it turned out, Stalin understood "friendly governments" to mean ones

wholly subservient to Moscow. The only country in which a marnage between the interests of Soviet security and parliamentary democracy was consummated was Finland. There, "free and unfettered elections," as prescribed at Yalta, were held within a month of the conference, even as Hitler was still directing operations from a Berlin bunker. They were the first elections in war-torn Europe.

This was possible in Finland not because it was so decreed at Yalta -Finland was hardly mentioned there. Free and unfettered elections were prescribed specifically for Poland. Why could Poland not be like Finland? The question lingers; yet the differences are profound

Strategically, as seen from Moscow, Finland is peripheral, Poland pivotal.

west of Poland is Germany. At Yalta, Stalin described Poland as a corridor through which the Germans had at-tacked Russia twice in 30 years. To-day, Poland is a corridor linking the Soviet Union with East Germany.

But there is another important difference that arises from the political and social conditions of the two countries. The political structure of postwar Finland was not hammered together in a deal between the victorious powers, to be imposed from the outside. The Finns defended their country against German or Soviet occupation during World War II. Finland thus emerged from the war with its political system intact. Free and unfettered elections were an integral part of that system. The decision to resume the electoral processes that had been interrupted by the war was made seven months before the Yalta conference. It

was not dictated by the Big Three. In contrast, Poland's social fabric had been torn to shreds by five years of German occupation, and a new political system was constructed un-der the guns of the Red Army. The attempt by Churchill and Roosevelt at Yalta to create a Poland in the image of their own societies was doomed to fail; liberal parliamentary government had no roots there. The same is true of the other East

and Central European countries that were occupied by Soviet forces, with social chaos of Poland. the exception of Czechoslovakia. In all the others, various types of totalitarian regimes had been in power in the prewar period. None of them had had much practice with holding free and unfettered elections.

The real lesson of the Finnish case is that there is no ready-made formula that outside powers could apply to bring a painless liberalization of Eastern Europe. Even to refer to "Eastern Europe" implies a uniformity that has long since ceased to exist. Each country must be considered individually, on its own terms. Hungary and Romania, for example, have little in common: the former is edging toward a multiparty system.

It is an increasingly

cabinet officers. In these last years, for example, no one outside the immedi-

are area of concern has known the

Finally, there is the Pentagon. This

has become a power unto itself, a power sufficiently great that neither candidate in the last election dreamed

of saying anything that might seem to

dent Reagan has rarely risked a press

conference. This has been attributed,

not wholly without reason, to an ab-

sence of acuity and knowledge. But, in

fairness, more must be attributed to

the fact that in many of the matters on

which he would have been queried, he

As to foreign policy, the controlling circumstances to which presidential

power is subservient are two. There is

the specter of nuclear devastation,

which peither capitalism nor commu-

nism would survive. But the reality has

come to control. That reality carried

Ronald Reagan from his undoubted

pleasure in denouncing the evil empire

to an unprecedented association with

Mikhail Gorbachev. And it led to the

INF Treaty, in a process that, for

The controlling force of circum-

stance has been no less compelling on

mutual survival, must continue.

would have had no role at all.

In much of his second term, Presi-

suggest that he was "soft on defense."

name of the agriculture secretary.

ceremonial office.

German Democratic Republic and the The diversity among its allies is now recognized by Moscow. The So-

viet Union under Mr. Gorbachev realizes that it cannot keep the socialist regimes in Eastern and Central Europe in power by constant military threat. In the long run, these regimes can survive only by proving their loy-alty to national goals. Does this mean the end of the

ian rule. Nor is there much similarity

between the disciplined life of the

Brezhnev doctrine? It is futile to expect an unambiguous answer from Moscow. No major power is prepared to renounce the use of force for all time. But Soviet policy is not de-termined by a doctrine; it is shaped by the prevailing realities. A resort to military means would instantly ruin Mr. Gorbachev's grand design.

The government chillingly fore-casts that, by 1991, some 90 percent of the city's population will be occu-pying new quarters. Owners of pri-

vate homes appropriated by the state are compensated no more than 25 percent of their real value. By turn-

ing owners into tenants, Mr.

Ceausescu hopes to create a new

citizen who thinks in collective terms

according to socialist principles.

Appeals and petitions from archi-

By Janet Heller

Ceausescu, Cultural Vandal

BALTIMORE — The president of Romania, Nicolae Ceausescu, is playing god with his country's architectural heritage. His disastrous policy of ultimately demolishing 6,000 to 7,000 villages in the countryside and destroying the historic centers of 45 towns and razing the old neighborhoods in Bu-charest is well under way. The stat-ed purpose of this so-called systematization is to give socialist Romania a modern profile.

tects and concerned citizens in Ro-Prefabricated apartment and ofmania have been sent to the governfice blocks are replacing buildings ment and have been largely ignored. The U.S. State Department says most of the demolition has taken in towns that once reflected centuries of tradition. By decree, Mr. Ceausescu has deemed them archiplace in villages close to Bucharest, but that further reaches, especially tecturally valueless and had them Transylvania, have not yet been touched. This region, which belonged to Hungary before World War I, is home to the majority of torn down. To date, 29 town centers have been buildozed and 16 more are scheduled to meet the same fate.

In Bucharest, a capital once called "the Paris of the Balkans," entire neighborhoods have been leveled. Gone are 19 churches dating from the 16th to the 18th centuries and a Sephardic synagogue. Gone also are thousands of structures representing a rich diversity of architectural styles stamped with the Romanian version of Italianate, Moorish and Art Deco.

greater intensity on Mr. Ceausescu's architectural desecration. The ment to The New York Times.

intervention. Yugoslavia is, after all,

World attention must focus with

lation of a possible Soviet

Romania's minority Hungarian

population. Most of the settlements

are unique monuments to the Hun-

garians and other national minor-ities living there. Churches, bell

towers and even graveyards are scheduled for demolition.

West must be grateful. A solid-East Germany is a guarantee of stability Moscow's recent restraint toward Yugoslavia is revealing. Only a few years ago a similar crisis in that country would have caused severe tension Germany's continued division. This ums the hard rock of co

interest between the two blocs. Both

American institute of Architects has

expressed its concern in a letter to

Secretary of State George Shultz.

The International Union of Archi-

tects also has spoken out. UNESCO,

aware of what is happening, cannot enter Romania to investigate unless

The only chance to halt Mr. Ceausescu's "modernization" po-

licy, if any, lies in a loud interna-

tional outcry that he cannot ignore.

The writer specializes in preserva

tion issues. She contributed this com-

invited by the government.

are organized on the assumption often said to be the place where World that the division is permanent War III might start. Today there is no If military confrontation is reduced, ripple of auxiety on this score.

The neuralgic point of Europe, in East-West relations are relaxed further and the Soviet Union evolves as Mik-Soviet eyes, remains Germany. The hail Gorbachev wants it to, will the German Democratic Republic is fundamentally different from all other Warsaw Pact members. It is not a East German regime be able to hold out as a last bastion of doctrinant nation but a state built on an ideologisocialism? If not, how can young Ger cal concept. Poland will remain Pomans of both sides be persuaded that and and Hungary will always be Hun-gary, whatever their social system. But for East Germany, maintaining its so-cialist system is the reason of its existheir nation must remain divided?

Mr. Jakobson, a former Finnish am-bassador to the United Nations, writes on international affairs from Helsinki. He contributed this comment to the International Herald Tribune.

The American Presidency: Going the Way of the Blacksmith?

By John Kenneth Galbraith

C AMBRIDGE, Massachusetts — Now that the U.S. election and the ensuing discussion and recrimination are pleasantly in the past, there is satisfaction in finding one would the president see the plan. There is an inevitable tendency for matter on which all observers are agreed: The 1988 presidential campower, in the presence of a larger organization, to pass down into the paign set a new low in banality exbody of that organization. As the power of the president has passed down lending to unimaginative bad taste. into organization, so has that of the

What is not commendable is the almost universal failure to see why the performance was so bad. It is that the presidency has become, by all past standards, a relatively unimportant job. Only from its past significance do its continuity, aura and interest come. Three factors, all above dispute, have diminished the presidency. They are the exfoliation of great organizations, often referred to as bureaucracy; the fact that powerful controlling

presidential decision on foreign policy; and that they have done much the me on domestic policy. The role of organization is the most obvious change. When Woodrow Wilson sat down at his typewriter to write a speech, as he is held to have done, one cannot doubt that he had a con-

circumstances have taken over from

siderable effect on what was said. Presidential speeches now come from a special speech-writing staff. This staff did not exist until the 1930s, when President Roosevelt, in what was thought a substantial innovation, acquired a small cadre of assistants, who were to have, it was promised, "a passion for anonymity." In the 1940 elections, the president did assemble a small group of speech writers, three or four in number, of whom I was one. When the speech was finally delivered, we listened ardently to the radio to see if any of our words had survived the

presidential touch. Not many did. The case carries on to policy. Wil-son, we can safely assume, had a preeminent role in the identification and positioning of the Fourteen Points. Now each point would be the product of a task force of around 10 specialists other foreign policy issues. There is

and departmental bystanders, for a total of at least 140 persons. Only then and small, to be free of superpower control or influence. There is also the now evident irrelevance of capitalism and communism in their developed form for much of the world.

In one of the more powerful educational exercises of all time, it was discovered that not even the most eloquent ideologue could explain the difference between capitalism and communism to the inhabitants of the Mekong Delta. So it has been, one judges, with the nomads of the moun-tains and deserts of Afghanistan.

It was open to past presidents to attempt intervention in Indochina, Central America, the Dominican Republic and Cuba. No more. Not even Nicaragua is available for such presidential decision. The most George Bush can hope for is another Grenada.

On domestic policy there is more scope for presidential initiative. But here, too, the great political battles of the past are in the past. The two notable revolutions of this century --that which brought the welfare state and that which gave the government macroeconomic responsibility for employment, price stability and economic growth, that is, the Keynesian revolution — were once within the sphere of presidential action, Both were accepted in the last election, Mr. Bush not only accepted the need for Keynesian deficit financing to sus-tain employment but, implicitly at least, went far beyond anything that

Mr. Keynes would suggest. The question remains as to why presidential contests generate so much excitement. The answer is, first of all, that thousands of press, television and radio operatives are involved and must justify moderately remunerative travel and employment in the only modern industry exempt from any question as to worker productivity. Not surprisingly, all say,

tence. Not surprisingly, its leaders firmly reject the idea of reform.

For this both Moscow and the

experts who are the source of nearly unlimited comment on the design for presenting and shaping the candidate's personality, guiding his commercials and disposing his money. These experts are greatly admire perhaps compassionately so, for their public life in most cases is very brief. An electoral genius is someone who, having been on the winning side in one election, is about to lose the next. Finally, there is, as it may be called, the Super Bowl syndrome. Those immediately participant apart, it makes no difference who wins a particular

even believe, that they are covering an event of decisive importance.

There is also the strategic aspect of the contest. This has brought into existence a large number of political

A desire for the job is understand-

able. The president continues to have a considerable ceremonial role. He enjoys a significant number of nonsala-ned benefits. But the penetrating ind-evance of the modern contest is not going unnoticed. Voter turnout in November was the lowest since Calvin Coolidge defeated John W. Davis in 1924. This was at a time when, most historians will agree, the importance of the job was also at a very low ebb.

The writer is emeritus professor of economics at Harvard University. He contributed this to The New York Times.

100, 75 AND 50 YEARS AGO

1888: Soudan Imbroglio SUAKIM - A heavy musketry fire

has been kept up to-day [Dec. 12] from the enemy's trenches. Osman Naib, the Emir commanding in the Arab trenches near the left fort, has been wounded in the neck by a shell. The new 64-pounder was directed on the enemy's left redoubt, forty-one shells being fired, which did great damage.

It is beginning to be feared here that
party strife in England will again render a peaceful solution of the problem impossible. The talk of abandonment spread over the Soudan from time to time has caused incalculable injury. If England again scuttles out of Suakim and refuses to face the difficulty now, an interminable struggle will be imposed upon her and upon Egypt.

1913: Mona Lisa Located

FLORENCE - Leonardo da Vinci's masterpiece "La Gioconda," which was stolen from the Louvre Museum in Paris two years ago, has been dis-

covered in Florence. The picture was offered this morning [Dec. 12] to Signor Geri, an antiquarian in the via Borg' Ognisanti, by a man named Vincenzo Perugia, of Como. Signor Geri's suspicions were aroused, and he reported the matter to the police. The picture has been in Perugia's possession since its theft, Meanwhile, in Rome, it is stated that Perugia is an Italian who had been living in Paris When questioned after his arrest be declared that he stole the painting in order to avenge the thefts commit-

1938: Pan-American Pact

ted in Italy by Napoleon.

LIMA — The United States and Argentina reached an agreement today [Dec. 12] assuring the substant accomplishment of the Part American conference's outstanding objective - a declaration by the twenty-one American republics that they will jointly resist any attempt at aggression or outside effort to subvert their political institutions.

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A Onetime Flack Defends The View From the 'Inside'

By William Safire

NEW YORK — Does a political background taint a journalist? Is America's need for independent media criticism endangered by a new breed of androgynous analyst called the Washington insider, those publicists and journalists leaping the barrier between par-ticipant and observer?

David Broder of The Washington Post thinks so. This respected and fearless "repundit" — one who both reports and opines - ruffled influential feathers recently by blasting the infidels defil-

ing the temple of the press.
"We all know these people," he told the National Press Club. "The journalists who go into government, become State Department or White House officials and then come back as editors or columnists (Take that, Hodding Carter,

I hold that previous insiderhood leads to better understanding. not to tainted views.

John Chancellor, Carl Rowan, Jerry O'Leary). Or the editors who become ambassadors (Whap! Henry Grunwald) and the ambassadors who become columnists (Pow! Jeane Kirkpatrick). Or the columnists who coach their favorite candidates (Zap-you're-dead! George Will and Patrick Buchanan) ... "

The reaction of most in-and-outers ranged from fury to amusement, but when a Washington Post headline later labeled us "Tainted Journalists," we had to wonder: Was the spirit of the prophet Isaiah ("Stand not next to me, for I am holier than thou") reborn in our brother Broder? Is opinion keen and judgment independent only if the pundit has never been deflowered by political experience? I hold that previous insiderhood con-

tributes to understanding. Let me tell vou about "the new Nixon." In a book a few years ago, "Behind the Front Page," Mr. Broder recalled in frustration how so many good journalists were fooled in the late '60s by the repackaging of Richard Nixon. Through

candidate concealed himself behind a false image of a "new" Nixon. That was the conclusion of a trained outside observer. But you had to be there - on the inside, contriving and manipulating - to understand that the

"contrivance and manipulation," the

reality was not nearly so simple.

The Mr. Nixon of the late '60s was indeed different from the Mr. Nixon of previous campaigns. He had perceptibly changed both his style and his thinking; close associates saw a "new" Nixon. The problem was that he refused to admit it.

Whenever a reporter adverted to the new Nixon, the candidate bridled; he remembered that as an accusation of trickiness in previous campaigns and resented the question. He insisted to interviewers that he had been misunderstood in the past, and that the so-called "old" Nixon — hated by the press was an unfair caricature.

As his volunteer flack. I took him aside and explained why that was a bad answer: You are demanding that people admit they were wrong about you in the past. People, especially writers, hate to do that. Let them think they were right. Times have changed, America has changed. Admit to being a "new" Nixon in many ways - not in character, but in positions and attitudes thereby leating your old critics off the hook and getting points for candor.

His Machiavellian mind seized on

that immediately. He would use what he insisted was past misjudgment to advantage, making it easier for past opponents to become present support-ers. That's why the "new Nixon" became a staple of interviews. If a reporter failed to ask the nasty question, the candidate would say: "What you're really wondering, and are too polite to ask, is — is there a new Nixon? Well, let me say this about that ..."

Thus the manipulation had an added

dimension when viewed from the inside: The candidate was contriving what he (and some of the most astute outsiders) thought was a false contrast, but which

was in reality a truthful contrast. Welcome to the pleasure in paradox that comes to those who switch roles and gain stereoscopic perspective from look-ing through one political and one journalistic eye. The ironic nuance is hard to explain to one who has never been on the other side of the barricades.

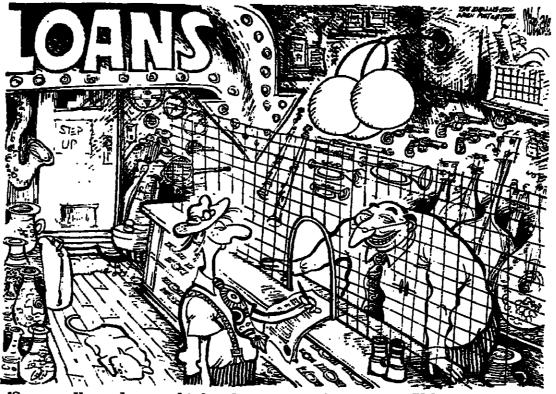
David Broder is right to warn against coziness between state and media, and against the pulling of punches in the hopes of political appointment. He is guisily prescient in seeing a danger in the blurring of adversarial lines by a too-frequent switching of hats. Journalism needs its purists — its Germond and Wicker, Novak and Rather, who have never spent a day at the public trough. But I self-servingly submit that a place exists as well for the Sawyer and Moyers, Greenfield, Perle, Price, Wattenberg and Adelman, who bring a special understanding to the coverage of the manipulators and the visionaries we leave behind.

Lift up your heads, ye ex-denizens of the Inside — a political past should be a source of pride. A taint it ain't.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signa-ture, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for

the return of unsolicited manuscripts.



'So, no collateral, no nothin' and you want to buy a major U.S. corporation. Ya know, kid, there was a day we would have laughed you right out of here!

LETTERS TO THE EDITOR

Capitalists Outflanked Regarding "The Worries About For-tress Europe Are Justified" (Opinion, Nov. 23) by Giles Merritt:

The looming reality of an economicalunified Europe will drag America kicking and screaming into 1992. Com-petition — the backbone of Americanstyle capitalism - will force the United States to improve quality and lower prices of its exports. As Roy Denman suggests under the Other Comment heading on the same page, the European Community is simply following the U.S. lead in global commerce. If that makes America uncomfortable, it can only

blame its own example. CAROLYN HOFIG. Scottsdale, Arizona,

Most Canadians Said No

Regarding "Free Trade? What About the Farms?" (Opinion, Dec. 3): Canadians did not say yes to establishing a free trade zone with the United

States, as Jonathan Power stated. Most voters chose parties which oppose it. Mr. Power intended to make a point about farming subsidies, but by assuming that "no developed country in its right mind will turn its back on free trade," he assumes that all developed countries see free access to American markets as ben-

question the increased presence of a cultural system based on quick profits rather than the quality of life.

American Magnetism

PAUL ROMBOUGH.

Regarding "No Longer the Envy of the World" (Opinion, Oct. 12):

America is a country of wonder, which persists in striving toward an ideal of equal protection for all. In this century, though they might have pre-ferred "to distribute their wealth in ways different," Americans have spent generously to defend and develop Europe (which Richard Reeves notes "is rich

again") and to help the rest of the world. Mr. Reeves may be correct when he says that "educated Europeans and Asians" may not want to live in America, but on a short walk around my Manhattan neighborhood I observe that almost everyone else does.

JAMES M. RHODES.

Price-Fixing' the Dollar

Regarding the report "Secret Meeting Led to Massed Dollar Support, Officials

Say" (Nov. 19):
Peter Kilborn's report on the cloakand-dagger meeting at the Louvre is both amusing and frightening. In effect, eficial. In fact it is the "developed" nature of Canada that has allowed her the officials of the treasuries and central people sufficient education to be wary of banks of 12 powerful free-market na-

tions were secretly engaged, under the guise of dollar stability, in a massive price-fixing" operation.

This "cornering" of the market will pay handsomely: All the dollars the banks buy now can be resold at a 15 to 20 percent profit when they start shoring up the value of other currencies against the rise of the dollar, as they did last September. This group manipulates the market to its convenience, not really trying to cure what is ailing the dollar.

VICTOR N. OSCODAR. Pont l'Evêque, France.

On Dubcek's Oxymoron

Alexander Dubcek, the proud and unrepentant Communist, has been honored by the University of Bologna ("Dubcek, in Italy, Defends Prague Spring," Nov. 14). His remarks about blending socialism with human values and democracy are laughable. Could it be that the University of Bologna has a department of oxymorons, and everybody was just kidding?

JAROMIR KOUBAL

Correction

Robert Cullen, author of the opinion column "It's Time for a Quiet U.S.-Soviet Deal on Emigrants" (Dec. I), was incorrectly identified as the Moscow bureau chief for Newsweek magazine. He has not held that post since 1985.

In Warsaw, Avant-Garde Sketched Over Surrealism

By Barney Kirchhoff

D ICTURES from a Warsaw exhibition: In the Aula, the great hall of the Technical University, a huge marble atrium with a grandiose staircase and four tiers of arcades, Bernard Heidsieck, an elegant Parisian, doffed his jacket and kneeled on the floor. Then Mr. Heidsieck, who has doubled as a banker and a poète sonique since the early 1960s, began a dramatic rendition of a poem based on medical records, which he delivered to the accompaniment of amplified heartbeats.

Meanwhile, across the river in the seedy Praga district, Poles jammed an open-air market offering used clothing and odds and ends of merchandise. In the streets, men sidled up to visitors: "Change money? Three thousand zlorys for a dollar."

Mr. Heidsieck's performance was

MEANWHILE

part of a weeklong International Seminar of the Arts in Warsaw, which was sponsored by the Center of Contemporary Art, headquartered in Zadem dowski, a massive, partly restored 17th-century castle. The castle lay in ruins after it was used as a hospital in World War II, and then was stripped to help furnish the Royal Palace in Warsaw's Old Town.

More than 40 avant-garde Polish and foreign artists exhibited several hun-dred works in five rooms with unfinished concrete floors and walls. The day before the vernissage, there was heat but no lights. Somehow it all came together and hundreds of people flocked to the opening as borrowed theater spot-lights illuminated the castle. The works ranged from colorful prints to an installation of library desks with reading lights and specially created books.

Warsaw is a surrealistic place. School children throng though the restored Old Town in colorful jackets. A few blocks away, their elders wait patiently in line at butcher shops trying to get a piece of meat. An endlessly repeated joke tells of two Poles meeting. The Pessimist says, "Things can't possibly get worse." The Optimist retorts, "Of course, they can."

There were daily seminars in a student discotheque where the Polish and foreign artists discussed such weighty issues as the responsibility of the artist. At one seminar, Zbigniew Warpechowski. who has given performances at Kassel's Documenta in West Germany, read a long "non-manifesto" on the problems of aging artists, suggesting they should die or be killed — metaphorically, of course. He followed this with a performance in the castle in which he dutifully 'expired' from an overdose of pushups.

The black market thrives. The Warsaw Voice, a sprightly English-language weekly modeled after the Moscow News, publishes the rates. Officially, there are about 500 zlotys to the dollar, but the government bank sells PeKaO dollar coupons for 2,500 zlotys. The coupons can be used in the hard-currency Pewex and Baltona stores, which offer Western goods as well as the better brands of Polish vodka (a bottle of buffalo-grassflavored vodka goes for \$1.75).

Back at the castle, two German artists. Wolfgang Hainke and Jürgen Olbrich, were crouched on the steel rods running under the ceiling. They inched across, showering the room with table knives and pencils through three sets of metal pipes as an offering to Ay-O's rainbow Buddha, spotlighted in a niche in the wall Ay-O, a Japanese artist who has a studio in New York, last year flew a 300-meter (nearly 1,000-foot) rainbow banner from the Eiffel Tower in Paris. As soon as the performance ended, scores of Polish spectators dashed over to grab handfuls of knives. Pencils did

not appear to be as scarce.

The Warsaw Voice, only six issues old, regales readers with tales of pollution, or the Orange Alternative, which stages street events. In one such event, members hand out rolls of toilet paper, another scarce item, while chanting slogans like "Lenin lives" and "We shall not give up the Communist system." A "Socialist Surrealism Manifesto," formulated by leaders of the Orange Alternative declares that of the Orange Alternative, declares that since Polish reality is surrealistic, people should react to it in a surrealistic way and make life more colorful. The authorities are baffled. How can you arrest people for chanting official slogans, even if they are dressed like Smurfs or devils?

The hottest rock group at the moment, according to the Warsaw Voice, is Citizen G.C., which drew an audience of 7,000 in Wroclaw and of 10,000 in Katovice during its latest tour.

The foreign artists were enlisted by Emmett Williams, an American living in West Berlin, who has been exhibiting and performing in Poland since 1981. The first seminar was held in May 1987; a third, the Center of Contemporary Art hopes, can be staged next year.

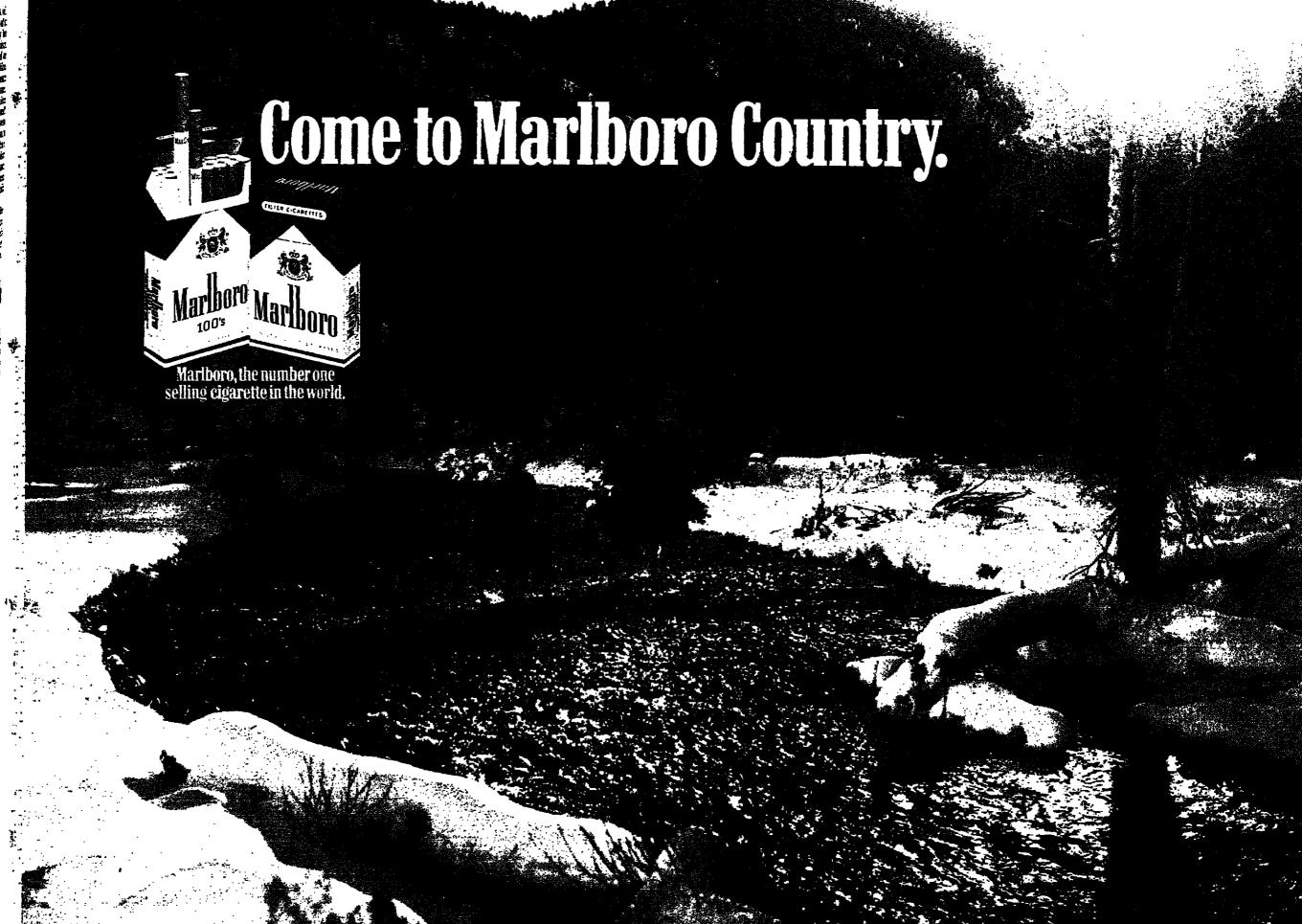
Gaudy hookers patrol hotel bars and waiters offer tins of caviar for \$15. A visit-ing artist proudly displays a coat with a fur collar. It cost her 50,000 zlotys. Someone gently points out that a friend, a university official, earns 40,000 zlotys a month.

Everyone is waiting for new legislation that will encourage private enterprise. A teacher-translator speaks wistfully of owning her own home, but a small plot of land costs 7 million zlotys, and building the house, if she does much of the work herself, will cost an additional 10 million.

Mr. Heidsieck finished his performance with a poem on democracy, a dramatic reading of the names of all the French premiers from the start of the Third Republic until 1979. As he read each name, he tore the sheet bearing it from a pad and threw it away.

There was an unexpected coda. From one of the upper tiers, a shower of fliers written in Polish fluttered down, inviting students to a new initiative.

International Herald Tribune



openly express. "It's not only a problem in the socialist countries. I never met a womthe World Bank, and it means we will not already is exploring the possibility of sell-

be able to carry out our tasks in time."

Mrs. Tatai has remained in charge at Tan-rus, where she started work in 1959, as a

laboratory assistant. For years, she has pushed the company to the fore of econom-

ic change in the country, making it a test ground for such innovations as direct for-

eign trade by enterprises and the issuing of

Under her leadership, Taurus has modernized its production by signing agree-ments with B.F. Goodrich Co. and other

Western firms, taken World Bank loans to

help build up its exports to the West, and

even worked with U.S. management con-

The drive for Western-style efficiency

appears to have paid off. Between 1976 and

and production without increasing its staff

major share of the agricultural tire market

in West Germany and Scandinavia, and its

exports to the West now exceed \$50 million

Mrs. Tatai's new project is to make Tau-

7, Taurus more than doubled its sales

stock to workers.

sulting firms.

Despite her new political obligations,

Scandal

But Guilt Denied By Swiss Woman

BERN — Elisabeth Kopp, the first woman member of a Swiss 'government, resigned as justice minister on Monday because of a billion-dollar money-laundering

name has been linked. Mrs. Kopp, 51, the most successful female politician in a country where women first won the right to vote in federal elections in 1971, had warned her husband Hans about an impending investigation of a firm of which he was vice

`chairman. Announcing her resignation af-'ter a cabinet meeting, she denied wrongdoing but said she accepted the political consequences of her

"I am guilty neither legally nor morally," she told reporters. "The suspicions and insinuations, not only against my family but also now against me, have increasingly reached a degree and a dimension that are unbearable."

Mrs. Kopp had faced mounting pressure since a prosecutor said in November that a money and precious metals firm, Shakarchi Trading Co, was suspected of dealing with international drug smugglers who channeled \$1 billion through Swiss banks.

Hans Kopp resigned as vice-chairman of the Zurich-based company on October 27.

He cited personal reasons for his resignation but his wife said on Friday she had telephoned him that day and urged him to step down after hearing rumors Shakarchi would be implicated.

Both Hans Kopp and Shakarchi Trading deny the allegations and no charges have been brought against either.

Mrs. Kopp's admission turned her political allies against her just two days after she had been voted Swiss vice-president by a large parliamentary majority.

In her resignation statement, she said she had given her husband no official information but merely passed on unconfirmed rumors. "I repeat that, at that time. I neither possessed nor used any documents or information from my department," she said.

Mrs. Kopp entered parliament as a member of the conservative Radical Democratic Party in 1979 and became the first Swiss female government minister in October

Minister Broad Strike to Test González

Resigns in Both the Government and Unions Are Facing Threat

By Paul Delaney New York Times Service

MADRID - Prime Minister Feline González faces the biggest threat to his six-year-old government on Wednesday with the prospect of the first general strike in Spain since 1934.

The action represents a threat to government stability as well as a test of a severely divided labor movement. Union leaders predicted that a third of the work force will take part, which they said would lead to a complete halt of public transportation and other scandal with which her husband's services for the day.

A leader of the governing Socialist Party predicted that if that happened, Mr. González would call national elections soon.

"If the general strike is a success, the president of the government will dissolve parliament and call an early election," said the party lead-er. José Bono Martinez, who is also the president of the Castilla-La Mancha regional government.

Mr. Bono was referring to Mr. González, who is the president of the governing council.

The president will not bear this

By Jackson Diehl

Washington Post Service

BUDAPEST — For years, the Taurus Rubber Works has offered Hungary's eco-

nomic managers an example of a state-

owned company that works efficiently un-

der the demands of an emerging market economy. So when a new Communist lead-ership took power last May with a mandate

for aggressive economic reform, it should

not have been surprising that Taurus's

chief executive was picked as a member of

Behind this rare success story, however,

For 14 years, the chief executive of Tan-

rus has been Illona Tatai, a chemical engi-

neer who has proven herself one of the

country's toughest and most progressive

Mrs. Tatai, 53, had already found herself

an exception as a female industrial execu-

tive, both in the East and in her frequent

Now, with her promotion into politics,

she stands as one of only five female Polit-

buro members in the six Communist-ruled

countries of Eastern Europe, and the only

one to establish herself independently as a

"This is a world of men they have creat-

ed for themselves, and women can find a

place in it only with difficulty," she said in

a recent interview, revealing a feminist

conviction that few women in Hungary

stood an even greater rarity in the power

circles of Eastern Europe: a woman.

the ruling Politburo.

business managers.

travels to the West.

significant political figure.

pressure," Mr. Bono said in an in- organizations issued the strike call terview with the Madrid newspaper last month. Diario 16. "He does not like to be

anybody's hostage."
Mr. González has said he would not call early elections, but Mr. Bono said that if workers showed they lacked confidence in the gov- after they opposed it. ernment, the prime minister would

reverse himself. The strike threat represents a further deterioration in relations ment's economic policies. between the government and its traditional ally, the Socialist-led General Union of Workers.

The General Union of Workers. with a membership of about 700,000, is the nation's largest. Its leaders have complained persistently that the government was moving too far to the right.

Spain has the fastest growing economy in the European Community, but also the highest unemployment rate and an increasing inflation rate.

Tensions between the Socialist Party and the General Union of Workers led to an alliance for the first time between the union and federation, the Communist-led Workers' Commissions. The two

The General Union of Workers has been split over the strike call. Its secretary-general, Nicolas Redondo Urbieta, dismissed the heads of several union branches

Mr. González has urged the unions repeatedly to cancel the action, promising talks on the govern-"We are ready for dialogue," he

said last week. "But it would not be responsible to change economic and social policies that have had good result. He also has mobilized his aides

to speak against the strike call. The general strike and a series of smaller protests were called after the government proposed in Octo-ber to lower the minimum wage for youths to \$380 a month.

Labor leaders said the plan would aid businesses that would also receive a stipend for hiring young workers for one year. Unionists fear the youths will be dismissed after a year. The jobless the second-largest Spanish labor rate for young people is 40 percent, federation, the Communist-led compared with 20 percent for all

In Hungary's Surge, a Woman Plays a Key Role

an manager in the West, either. But all the

Mrs. Tatai's promotion was a sign both of the party's growing political liberalism

and its commitment to economic reform.

top party positions typically have been

blue-collar workers who do not transcend

their token leadership roles. The only other

exception in recent years has been Elena

Ceausescu, the wife of President Nicolae

Ceausescu of Romania, who has grown in

stature in keeping with the personality cult

the Politburo to inject a manager's pragma-

tism into the country's economic policies.

"I am conveying my experience to them

and calling their attention to problems that

exist at the enterprise level," she said.

There are problems with companies, and

Mrs. Tatai does not hesitate to differ

with the political line. In her view, the

country's economic leadership is not mov-

ing quickly enough to reduce business and

personal taxes and free up funds for pri-

vate enterprise. And she believes that state

companies are not modernizing aggressive-

The new corporate income tax of 50

percent "means companies will have less for development," Mrs. Tatai said. "It

threatens Taurus," she added, "because we

my aim is to solve them rapidly."

ly enough along Western lines.

advanced as Iberia.

You'll have probably noticed it in Iberia's real

time, computerised sales and reservations system,

and in our impeccable service. All the result of

Mrs. Tatai, in contrast, was brought into

of her husband's neo-Stalinist rule.

In Eastern Europe, women who serve in

secretaries were women.



Prime Minister Felipe González of Spain, threatened by a strike.

rubber company.

of 11,000 workers. The firm has won a path if we want to compete in the Europe-

rus one of the first Hungarian state firms to ic stagnation and high inflation are making

take advantage of a law passed this fall on it difficult for women to maintain their

share ownership and foreign investment. careers. "Families can no longer afford

The law allows state companies to issue services like day care or cleaning, so wom-

shares and sell stakes in themselves to private investors, Hungarian or foreign.

Although the procedure has yet to be legalsomething I'm very concerned about."

an market.

ing 20 percent of Taurus to a Western

"The biggest problem for Taurus and

other Hungarian companies is the shortage

of working capital and low efficiency," Mr. Tatai said. "What we need is to set up a

shareholding company with a foreign firm

that has great experience in the field of

production. We are just beginning, and the

forms are not sure. But this is something

Although the new law prevents big state

companies from being completely priva-tized, Mrs. Tatai said she believed that

Hungary eventually would have to em-

brace that solution. "I think that step by

step, we are going to give up the idea" of

state ownership, she said, "because inter-

national experience has shown that state

companies are less efficient, and I don't

think we can afford to follow a different

She holds equally strong views about the

troubles of working women. Because wages

are relatively low, and women's wages still

lower, Mrs. Tatai said, Hungary's econom-

almost every company needs to do."

Kari A.O. Kairamo. Industrialist, Dies

Kari A.O. Kairamo, 55, chairman and chief executive officer of Nokia Oy, Finland's biggest corporation, and the leading member of a family dominant in Finnish industry and banking for five generanions, died over the weekend, the company announced Monday. The reported cause of death was a heart

Mr. Kairamo, an engineer who had worked in São Paulo and New York, was one of Finland's most internationally minded businessmen, and his professional interests embraced education, European integration, industrial reform, energy matters, new technology and Nor-

dic cooperation. Away from the boardroom, Mr. Kairamo loved hunting, boating and skiing. "He loved nature." a friend said. "He hated high living and luxury, and preferred the simple life in the open air." At home in Helsinki, Mr. Kairamo spent his free time reading and listening to classical music.

He is survived by his father, Aulis, his widow Arja Eeva Sohlberg, a concert pianist, and three children — Kristima, 30, a geography teacher, Aino-Marja, 26, an air hostess and Juhani, 22, a student at a school of hotel and restaurant man-

The Nokia board said it would meet Tuesday to appoint a successor. Industrial analysts said there was no obvious heir either inside or outside the corporation, which has 28,500 employees, including 7,000 overseas. Nokia is involved in electronics, cables, machinery, paper, power, chemicals, rubber and floorings. Mr. Kairamo was "Mr. Finnish industry" as far as the world was concerned, an analyst

Henri Peyre, Professor Of French at Yale

NORWALK. Connecticut (NYT) -Henri Peyre, 87, the Sterling professor of French emeritus at Yale University, a scholar, writer and teacher, died of heart failure Friday in Norwalk.

Professor Peyre wrote more than 30 books in English and French on topics ranging from French classicism and modern literature to higher education in the United States.

As the Sterling professor from 1938 to 1969, he was also chairman of the department of Romance languages. Ŷale officials said that under his leadership, the department was ranked first in the nation several times by the American Council

hostesses' smiles. Their warmth and hospitality is

WARM TO THE EXPERIENCE

absolutely natural.

Right from the heart.

Richard Castellano, 55, a character actor noted for his portrayals of said training would resume Jan. 2.

Italian-Americans, of a heart attack Saturday at his home in North Bergen, New Jersey. He won praise for his performance as a Malioso. Clemenza, in "The Godfather."

John H. Geisse, 96, a World War I aviator and aeronautical inventor, of heart failure Sunday in Indian. aoplis, Indiana. He invented a landing gear for difficult wind conditions at airports with single or parallel runways. He also designed the first electrical system for de-

icing wings. Terrence Lore Smith, 46, author of the best-selling novel "The Thief Who Came to Dinner," in a traffic accident Wednesday on an icy road in Colorado Springs. Ulanha, 82, deputy chairman of the National People's Congress

who fought for Mongolian rights during a 60-year political career, Thursday in Beijing after being hospitalized for an unspecified illness. Xinhua said. Christopher Connelly, 47, the

raspy-voiced, curly-haired star of the "Peyton Place" television series of the 1960s, of lung cancer in Burbank, California. Nagendra Singh, 74, an Indian

jurist and former president of the World Court, Sunday of a heart attack in The Hague.

John Caming, 56, managing editor of the New York Post since

1980 and a journalist for more than 35 years, on vacation in Ixtapa, Mexico.

Joseph L. Reichler, a member of the sport writers' section of the Baseball Hall of Fame and editor of The Baseball Encyclopedia Monday after a long illness in Roslyn Heights, New York,

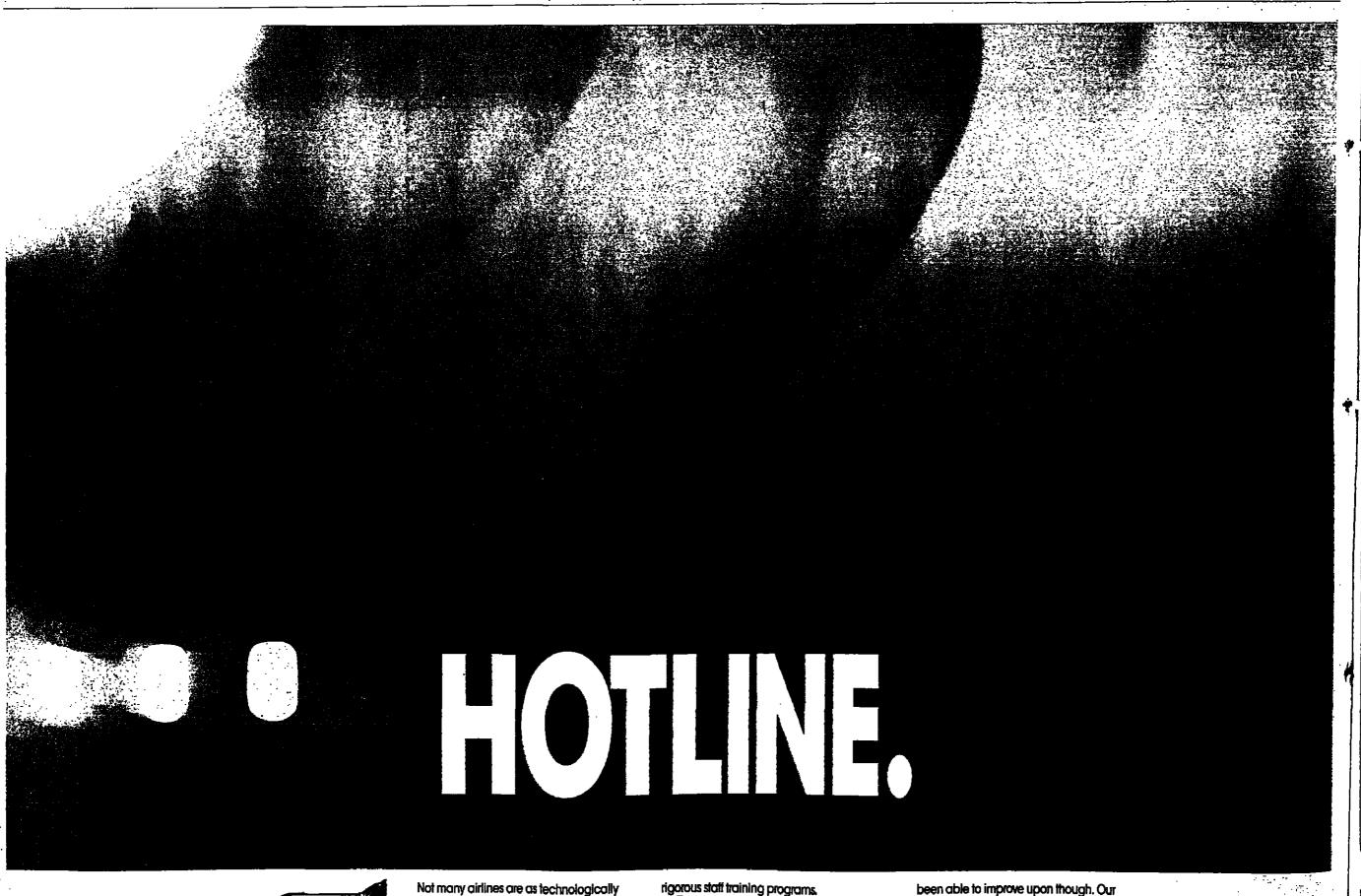
Nations Suspend Training Flights

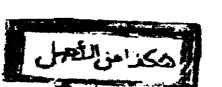
WASHINGTON - The air forces of West Germany; the United States, Britain and Canada have suspended fighter aircraft training in West Germany until Jan. 2, the Pentagon announced Monday.

The suspensions follow a series of military crashes in West Germany, including an accident last Thursday in which a U.S. warplane crashed into a residential area during training, killing six persons.

The postponement of fighter training, including low-level flights, was called for the holiday season "out of respect for the vic-tims and the families of the victims" of last week's crash.

The announcement, made after a meeting between top U.S. and West German defense officials,





their planes.

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airlines rely on Iberla to maintain and service

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A.O. Kairan trialist, Die

In Free-Trade Battle, U.S. Gets Tough With Thailand on Counterfeits By Michael Richardson trade relations, and it demonstrates U.S. determi-nation to get tough with Asian countries that the Fusion program for IBM mainframe comput-worth \$552 million from Thailand under the pref-

International Herald Tribane

BANGKOK - Last month, representatives of American companies arranged for a visiting U.S. congressional delegation to see a display of American products, including computer software and prescription drugs. But instead of seeing goods Made in America, they saw pirated goods Made in

Thailand has rapidly become the counterfeiting capital of Southeast Asia, as neighboring nations have cracked down under U.S. and European pressure, and makers of pirated goods have shifted from countries with more expensive labor and tougher penalties

But if Bangkok does not crack down quickly on unauthorized copying, as well as agree on wider trade issues. Washington will retainate, U.S. offi-cials say. Thailand, they warn, will lose preferen-tial access to the United States, its largest market, and will be denied Western technology needed to advance the Thai economy.

Washington's willingness to come down hard on Thailand, with which it has close security ties, is a sign of the highly charged atmosphere in global property rights committee of the American Cham-

Washington says do not play fair on trade.

The trade issue will reach a critical juncture
Thursday when the office of the U.S. special trade representative reports to President Ronald Reagan on whether Thailand has made an adequate offer to improve its protection of intellectual property: American copyrights, patents and trademarks.

In all likelihood, efforts to reach agreement before Thursday will fail. Prime Minister Chatichai Choonhavan said last Thursday that he would not yield to Washington's demands even if it cost Thailand its preferential treatment.

"I think it is more important for Thailand to try to stand on its own feet by producing competitive goods in the world market," he added.

Westerns official estimate that Thai counterfeit-ing of products including audio tapes, computer software, cosmetics and clothing costs U.S. and European companies as much as \$400 million a year in lost sales and royalties, and they are wor-

ried that the copies will spread.

Douglas Sheldon, chairman of the intellectual

ers, which is widely used by companies for internal auditing.

"In the United States this program costs \$3,600." he said, "But in Thailand I can get a copy, plus a photocopy of the program manual, for

Mr. Sheldon, managing director in Thailand of Pfizer International Corp., a leading U.S. drug maker, said American companies had identified 239 copies in Thailand of U.S. pharmaceuticals that were still covered by U.S. patents.

Mr. Reagan will be told this week whether Thailand has agreed to open its market more widely to U.S. wheat, apples, soybeans and cigarettes by lowering tariffs and ending a government monopoly on cigarette manufacturing.

If no agreement is struck, Bangkok will lose its

access to trade benefits under the U.S. system of generalized preferences, a program that offers developing countries easier access to the U.S. market unating import duties on about 3,000 prodthe system is about 7 percent.

erence system, a 57% increase over 1986. The products included jewelry settings, household items and canned fish. Overall, the United States imported nearly \$2.4 billion in Thai goods and exported more than \$1.5 billion to Thailand.

Thailand's failure to satisfy Washington's demand for full protection of intellectual property will also cost Thailand access to advanced American computer technology and pharmaceutical

drugs.
The U.S. Senate minority leader, Robert J. Dole, who headed a congressional delegation that visited Thailand in November, asserted that Washington was determined to get protection for patents on innovative products and processes, copyrights on books, music, films, computer programs and other representations of ideas.

But many Thais have warned the government that if it gives in to American "bullying," unem-ployment and prices will rise sharply. A proposal in parliament to amend Thailand's copyright law set off a dispute earlier this year that three bring down the coalition government.

projects — the twin pillars of an as critical, partly because issues be-

ing investment and public-works

explosive rise in domestic con-

these economists say.

"Pricing the middle class out of

fact that we've done this is indica-

York in October that coercive methods would "exacerbate tising anti-American sentiment in my

COUNTRY." If protectionism becomes stronger under the U.S. president-elect, George Bush, Mr. Siddhi said, then Thailand and the U.S. will be traveling on a path of trade collision with adverse implications for our overall bilateral relations."

U.S. officials said that while Taiwan, South Korea, Singapore, Malaysia, China, and Indonesia have taken legislative steps to crack down on unauthorized copying in the last few years, Thailand has lagged in doing so.

European Community diplomats urged the Thai government recently to tighten controls on counterfeiting, but they did not threaten to end Thailand's preferential treatment in its markets.

"We think such a linkage is counterproductive. said Albert Maes, ambassador and head of the EC delegation based in Bangkok, "because it gives political strength to vested interests opposing such action in the name of Thai nationalism and inde-

TOMORROW: Pressures on

George Bush that could heat up trade

U.S. Stance At Talks Irks Paris

PARIS — France on Mon-day blamed the failure of world trade talks in Montreal last week on U.S. obstinacy and accused Washington of being ready to give up entirely on global agreements in favor of bilateral accords.

"Their ideological and psychological rigidity on commercial matters has become total," Agriculture Minister Henri Nallet said in an interview with the French economic dai-

ly La Tribune de l'Expansion. "The United States is barely interested any longer in multilateral debate, preferring to look for bilateral agreements of the type that they negotiated recently with Canada." Mr. Nallet was quoted as saying.

The Montreal ministerial talks, held under the auspices of the Geneva-based secretariat of the General Agreement on Tariffs and Trade, collapsed amid bitter recriminations after the United States and European Community clashed over farm subsidies.

TRADE: Japanese Concerns Reflect Increasing Tension With Recent Surge in Protectionist Sentiment

(Continued from page 1)

sumption, housing and publicworks projects masks the extent to which basic shifts in the Japanese economy have been avoided.

"So far we've only looked at these issues during the favorable part of the cycle," said Akio Mikuni, a former Finance Ministry official and now a Tokyo business consultant. "The underlying fact is that the export structure is still intact. The postwar formula hasn't really changed sufficiently."

Despite these problems, most concern about protectionism voiced in Japan centers chiefly on the new U.S. administration and European moves toward a single market at the end of 1992, Influential Japanese are confident that Mr. Efforts to use the law against against Japan were made almost as soon as President Ronald Reagan

signed the legislation in August. In that first attempt to apply new potential gains for U.S. rice growers are insignificant, but there are Tokyo and Washington are eager

to put behind them.

Anxiety over such issues is underscored by the current visit to Washington of Shigeo Muraoka, a Bush will support free trade and an vice minister of international trade open U.S. market, but they have and industry. Mr. Muraoka's statquickly come to question his re- ed purpose is to ask Mr. Reagan solve in dealing with a Congress before he leaves office next month controlled by Democrats who are to remove \$165 million worth of armed with tough trade legislation. sanctions imposed last year in a continuing dispute with Japanese semiconductor makers.

As for the integration of the European Community, it now appears unlikely that Japanese fears of a In that first attempt to apply new retaliatory powers against trading partners, the U.S. trade representative, Clayton K. Yeutter, rejected an appeal by U.S. rice millers to matters as reciprocity in services as reciprocity in services. force open the Japanese rice mar-ket. U.S. officials acknowledge that trade are published and Japan gets in them, which would help reduce some indication of how they will be Japanese exports and provide an

politicized test of wills of the kind about the difficulty of offering Eu- Japanese multinationals must Last month the U.S. administration was similarly required—apparently against its will—to open an investigation into U.S. access to an investigation into U.S. access to local banks enjoy, but without having many newly sensitive areas of the Japanese construction market, on which Tokyo and Washington mandatory purchases of government bonds.

In a data without having many newly sensitive areas of the silence critics of its tight-knit political and economic systems.

In a data without having many newly sensitive areas of the nation signaled a silence critics of its tight-knit political and economic systems.

Nor has the nation signaled a

"To enshrine this kind of demand as a legal requirement is dangerous," a Western trade expert said. "Obviously it tends to heighten concern here about the trilateral relationship among Europe, Japan and the United States."

Despite Japan's efforts to expand its markets at home and tone down emphasis on overseas sales. both the European and U.S. markets are likely to grow in importance for Japan in coming years. Trade experts say only the European and U.S. markets can offer the economies of scale that Japanese industries will need to shift into higher-technology sectors and develop new generations of products.

Reflecting this, direct invest-ments by Japanese manufacturers Europe and the United States have soared dramatically over the past three years: by 125 percent, to \$25.1 billion, in Europe, and by 140 percent, to \$61.6 billion, in the United States. Recent multibillion dollar purchases by Japanese firms include Firestone Tire & Rubber Co., CBS Records and the Intercontinental Hotels group.

fronically, analysts in Tokyo asopportunity for Japanese compa-Until recently, for instance, Jap-nies to contribute to local econosigns that the issue could become a anese officials were concerned mies. But these analysts stress that ropean banks operating in Tokyo make far greater use of local per-"national treatment," giving them sonnel, capital and technology than

bone of the Japanese export sector mists and experts assert. New hous-- electronics, shipbuilding steel - there are already signs that serious friction could erupt in them.

Although Tokyo and Washington agreed in a memorandum five years ago that Japan would begin sharing technological advances in the defense field with U.S. companies, analysts in Tokyo and Wash- they grew last year. ington say there is increasing con-Japanese manufacturers will prove sewage and water systems, and to unwilling to follow the conditions.

A test case of the agreement is cantly reduce land prices, a long-term improvement in Japan's abilithe FSX fighter, a jet being jointly developed by the United States and Japan. While both sides reached basic agreement on the project last month, they still have not determined how work on the project is to be apportioned.

The fundamental problem, many analysts suggest, is Japan's longstanding reluctance to share technology. Defense analysts suggest that there is a serious risk that U.S. defense contractors will eventually be drawn into the protectionist lobby as a result.

'Japan is going to be developing defense-related technology on an ever-larger scale and it's probably not going to be as willing to share it as we'd like," said a U.S. defense executive in Tokyo. "I see little desire to cooperate on the part of Japanese industries, and, yes, some of us are likely to get a little tight-jawed about it." For some economists and trade

TEL AVIV -- An East German cultural representative has become has not evolved quickly enough to Agency, arrived Sunday to explore the possibility of East German artists' performing in next spring's annual Israel Festival.

E. German Official in Israel

defense technology. While such genuine commitment to more than ciples, they ask, can Japan and oth- new and comprehensive way of fields are to replace the consumer an incremental reduction in its er nations in East Asia embrace dealing with these issues, we're industries that have been the back- chronic trade surplus, these econo- essentially foreign economic con- probably going to face recurring cepts with enthusiasm?

The question is viewed in Japan

tween Japan and its major trading sumption since mid-1987 - were partners - the distribution system, based on speculation and a one-time supplementary budget inintellectual property rights, the often-controversial role of the Miniscrease, they point out; both are try for International Trade and Innow slowing as dramatically as dustry - are becoming more complex and parily because the world must begin to adjust to a Without a concerted effort to recern in the United States that new the nation's inadequate roads, more assertive and nationalistic Ja-

Similar sentiments are also apparent among the newly industrialized countries of East Asia, notably ty to consume imports is unlikely, South Korea and Taiwan. The danger in these nations is that protectionist impulses in the United the housing market is the last thing we should be doing," said Mr. Mi-States will discourage trade liberalization, which has been been unkuni, the business consultant. "The folding far faster than it did in Japan at a comparable period in its tion enough that there's still no

determination to live without a sur-Both Washington and Tokyo plus. The commitment just isn't recognize the need for a new framework within which to negotiate bi-The threat of protectionism only lateral trade issues, chiefly because heightens concerns that Japan will the U.S.-Japan relationship is now seen as inextricably binding. But fail to reduce the trade surplus, U.S. and Japanese trade analysts the urgency trade experts now express clearly reflects a sense of the assert. As Western trade theorists begin to question the validity of Japan's traditional free-trade prinrisks of operating in a new environment without a safety net.

"We're no longer talking about shoes, autos or oranges, but deepseated differences in cultural and social values," a Western analyst said. "Unless we come up with a

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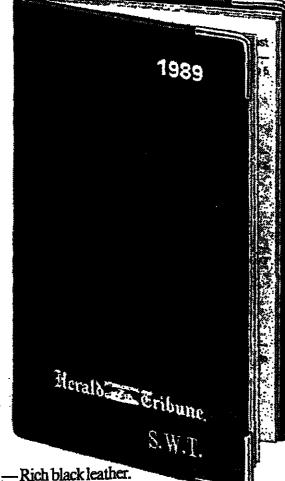
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Glass's 'Planet 8': But Is It Opera?

By Henry Pleasants

T ONDON — The most noteworthy reaction Le to the European premiere of Philip Glass's The Making of the Representative of Planet 8" by the English National Opera at the Coliseum has been that of the London critics.

Some headlines for the notices establish the tone: "A Frosted Glass"; "Glass Shattered"; "Nodding to World's End"; "A Wasted Journey Into Space"; "Glass Blows Hot and Cold"; "Opera That Fails to Leave Its Orbit," and so on. And from critics: "the tedious banality of Glass's music"; "music that says nothing at all"; "absurd farrago"; "Pop Art musical War-bol"; "much of it acted like chloroform"; "pretentious waffle"; "empty, goocy"; "raises the art of non-composing to new and breathtaking

heights," etc. All this for the composer whose works, this year, according to John Rockwell in the November issue of Opera magazine, "are being performed in every corner of the earth. Not since Puccini has a composer so won the hearts of the public and of opera house managements."

All this, too, it should be added, for the composer whose "Akhnaten" (sung in ancient Egyptian) sold out the Coliseum last year, and whose "Planet 8" did equally well at the box

Glass has had other projects in hand. Between May and July a chamber opera, "The

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House of Usher," was introduced in Cambridge, Massachusetts. Another chamber opseries is Dec. 16.) era, "1,000 Airplanes on the Roof" for actor and the Philip Glass Ensemble, was premiered in Vienna, while "Planet 8," a co-production by the ENO and Houston Grand Opera, was being

given an initial outing in Houston. It is this work, of course, based on a novel by Doris Lessing, one of her "Canopus Argos" scifi series, with the author as libretrist, that has outraged the London critics. They took "Akhnaten" in their stride, if without conspicuous enthusiasm. Glass has never been a darling of the establishment critics. They find his minimalist idiom reactionary, intolerably repetitive, simplistic, even atavistic.

It is, or at least much of it is, all of those things. But in his previous major works, "Satyagraha" (about Gandhi, in Sanskrit) and "Akhnaten," the idiom worked effectively with ritualistic and exotic theater. With "Planet 8," all about a vernal, populous and peaceful planet overwhelmed by an ice age, it doesn't.

Least of all with a production taken over from Houston that fails to deliver any of the scenic wonders promised by the text. The score, for conventional orchestra, works tolerably with choral activity and vocalism on stage, but with dialogue (and what dialogue, too much of it spoken, including a 1,000-word peroration at the end!) it is, as the London critics observed, a

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There are more general problems, not confined to "Planet 8." One is whether Glass has, so to speak, painted himself into a corner. John Rockwell, writing in The New York Times a

couple of weeks ago, put it this way: "When does a composer's style turn into a straitjacket? At what point do we say that an artist is no longer extending and developing an idiom, but instead rehashing it — unconsciously because a way of working has become automatic, or cynically because he's trapped and can't find a way out?"

An even more troubling question is whether any of Glass's works belong in an opera house. David Cairns, in The Sunday Times, wrote of "Planet 8": "I can't see it satisfying even the new theater-oriented audiences that ENO is enticing into the opera house. But it also makes you wonder what they mean by opera, that proud all-encompassing art of Mozart and Ver-di and Wagner in which the composer was the dramatist and the music embodied the text."

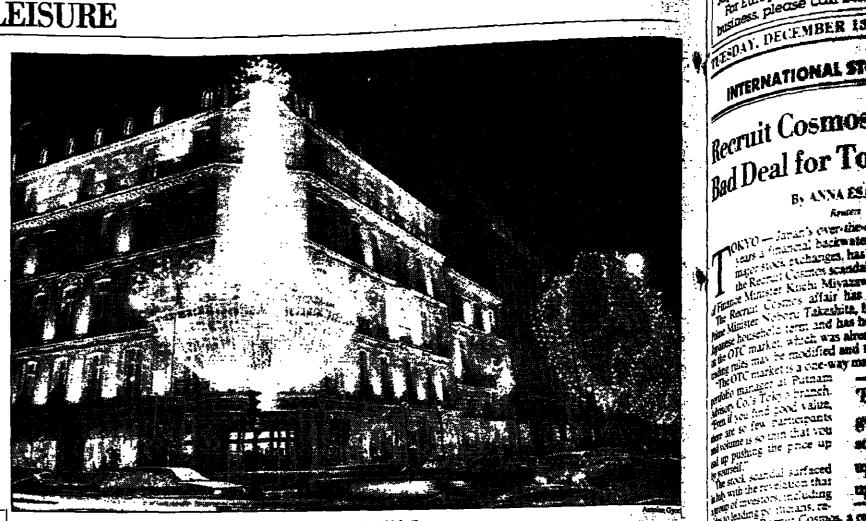
Glass has other matters on his mind. He now has a \$325,000 commission from the Met for an opera about Columbus for 1992. It will be called "The Voyage." Bon Voyage!

Henry Pleasants is a London-based author and critic who specializes in music and opera.

December 12, 1988

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Dior's giant chandelier on the Avenue Montzigne in Paris contains 120,000 bulbs.

Paris: The Reign of Montaigne

PARIS — On the facade of under Céline's glamorous Ameri-Christian Dior in Avenue Mon-can-born president Nan Legeai, laigne twinkles a gigantic chande-lier. The 120,000 bulbs beaming launch party at Ledoyen, a plush out each night are more than just a

SUZY MENKES

festive decoration. They symbolize the triumph of the most fashionable street in town.

The reign of Montaigne started with Dior in 1947. And like moths toward bright lights, huxury houses have fluttered into the area. The avenue now includes Nina Ricci, Emanuel Ungaro, Guy Laroche, Jean-Louis Scherrer, Valentino and the jewelers Harry Winston. Cha-nel established a glossy boutique in 1983 and, in the last five years, Louis Vuitton and even Thierry Mugler have moved onto the ave-

This fall, Torrente, a small couture house that dressed Danielle Mitterrand before she graduated to YSL, made a significant move

restaurant redecorated by the night club queen Regine. The turn-of-the-century pavilion is situated in the foothills of the Champs-Elysées near one end of Avenue Mon-

Fashionable streets — however broad and grand - have a way of fading out. Looking at the back packs and B-movie houses along the Champs-Elysées, it is hard to remember that Marcel Proust once gazed at smart society from where Marganx Hemingway with a McDonald's hamburgers have been on sale since May. It is not news that the Champs-

Elysées has turned tacky and that out in green branches and red Rue de Rivoli flows with tourists. bows in Avenue Marcean: Gi-But even Rue du Faubourg Saint-Honoré seems to be losing its luster. There is a fashion void between Hermès and a cluster of designer boutiques at the Concorde end and



piece of Céline jewelry.

Saint Laurent, currently decked bows, in Avenue Marceau; Givenchy, blue baubles among the greenery, at the head of George V; and Emanuel Ungaro on Avenue

The holiday season has turned

ones — twinkling in windows dressed in pink and red. Neighboring streets have caught the whilf of luxury, with Cartier opening a new store in Rue François ler and swagging it with gilt.

The charm of Ayeme Montaigne comes from its peculiarly Parisian mix of local shops and luxury, which marks it out from Madison Avenue or London's Bond Street. With real estate prices rising, how long can the small stores passed on from father to son hold out? The jeweler O.J. Perrin is about to open where once the local boulangerie provided Dior's Marc Bohan with his daily croissant.

"Ah well," says the designer, who has worked for a quarter of a century at Dior. "As long as I can still buy chocolates from Fonquei.

Fouquet has a rich, deep aroma of handmade chocolates, finicky vendenses, and displays as lovingly created as a couture gown. It once served the Duchess of Windsor, who would spoil herself after a ior fitting and stuff chocolates to her mouth as she stepped back nto her car. It now serves the ossy young clients, with short. ingy furs and signature Chanel ags, who express perfectly the ampered. Parisian elegance of shion's first avenue.

the sidewalk, shows in London ree restrained but typical de-ens: chromed tubular chairs flowg on a generous curve above all seats.

Designers who were originally ined as architects are distin ished by the graphic lines of their miture. Ronald Cecil Sportes, io is an adviser to the Chinese on Beijing furniture design project, s out his sketchbook of ideas for to see how his linear chairs olve. Jean Michel Wilmotte, who is contributed designs to the inteor of the pyramid at the Louvre, is other onetime architect whose alais Royal" chair is of classic oportions.

Modern furniture from France e its high fashion industry, seems draw strength not from one unid theme or statement, but from versity. It remains to be seen ether the creative imagination in niture can be marketen, and ether it will wean French taste om the inevitable mock Louis

"Avant Premiere: The Most Conreporary French Furniture." In the ventieth Century Gallery of the ctoria and Albert Museum until

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TUESDAY, DECEMBER 13, 1988

Recruit Cosmos Scandal: **Bad Deal for Tokyo OTC**

By ANNA ESAKI

OKYO - Japan's over-the-counter stock market, for 40 years a financial backwater compared to the country's

major stock exchanges, has been thrust into the news by the Recruit Cosmos scandal and the ensuing resignation of Finance Minister Kiichi Miyazawa.

The Recruit Cosmos affair has shaken the government of Prime Minister Noboru Takeshita, has made "insider trading" a Japanese household term and has heaped unfavorable publicity on the OTC market, which was already struggling. The market's trading rules may be modified and tightened.
"The OTC market is a one-way market," said Takao Uratani, a

Even if you find

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good value, volume is

so thin that you end

up pushing the price

portfolio manager at Putnam Advisory Co.'s Tokyo branch. "Even if you find good value, there are so few participants and volume is so thin that you

end up pushing the price up by yourself."

The stock scandal surfaced in July with the revelation that

a group of investors, including lontaigne.

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aides to leading politicians, received stock in Recruit Cosmos, a real estate company, before it
was listed on the OTC market. They reaped huge profits after the
share price soared when the stock was listed. Mr. Miyazawa, the only cabinet minister directly implicated,

made a profit of 22 million yen on an investment of 30 million yen. Also implicated were aides to Prime Minister Takeshita, to former Prime Minister Yasuhiro Nakasone and to Shintaro Abe,

secretary-general of the governing Liberal Democratic party.
"I think right now the OTC market is very tricky, since there may be a clampdown on how OTC stocks are initially placed," said Craig Chudler, a strategist with Smith New Court Ltd., the London-based brokerage.

A spokesman for the Securities Dealers Association said

changes in the way shares are offered are under consideration. One possibility is to offer shares by auction.

Most shares are now placed with investors before they are listed, with underwriters handling the rest. Underwriting brokers pointed to a growing emphasis on placing shares with a greater number of investors and said the initial minimum number of shares may be increased.

Computer trading is likely to be introduced next year to boost volume and facilitate the matching of buy and sell orders, the securities association spokesman added. The current system provides only price quotations, not actual transactions.

WARFED by the mammoth Tokyo Stock Exchange, the OTC market was launched shortly after World War II but did not really catch on until 1976. The market was deregulated in 1983 to free venture capital for smaller companies. "Generally, requirements are less strict than on the Tokyo Stock Exchange," the dealers spokesman said. Minimum requirements are 2,000 outstanding shares, 200 shareholders and a value of 10 yen (eight cents) per share. Company assets must be worth at least 200 million yen as of the end of the previous fiscal year. The major OTC market currently lists 175 stocks, with 20 more expected this year, bringing the total of new listings this year to a record high of 50.

Furnocean brokerages were the first adventurous enough to

European brokerages were the first adventurous enough to venture into small company funds in the early 1980s. This stirred interest in the OTC sector at a time when even second section stocks on the Tokyo Stock Exchange were viewed as risky

In terms of Western fundamentals, some OTC stocks may be better buys than their listed counterparts, some analysts said.
"If you are a sensible, reasonable investor, in terms of growth and price earnings ratios, you can find good value in the OTC," a

Currency Rates

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INTERNATIONAL STOCK MARKETS

3 East Bloc Nations Shift to More Western Trade Orientation

By Jackson Diehl

Washington Post Service
WARSAW — Poland, Hungary and Yugoslavia, the three East European countries that are at the forefront of economic change in the Communist world, have recorded sharp increases in trade with Western countries this year, bolstering economies that are plagued by stagnation and heavy foreign debt.

At the same time, trade problems are growing between these countries and the Soviet Union, which has been unable to supply quality goods in sufficient quantities or compensate for the falling prices of its exports of oil and other raw materi-

Economists and government officials said the results reflected a major effort by East European countries to orient their economies more toward the West and growing structural problems within the Council for Mutual Economic Assis-

tance, the Soviet-led economic communi-ty known as Comecon. While efforts by President Mikhail S. Gorbachev of the Soviet Union to revitalize Comecon trade have failed. Communist governments have felt growing pressure to trade with the West to modernize industries with new technology and to pay debts.

"When we look at the West, we see an urgent need to increase both imports and exports," said Janos Kozma, a trade expert at the institute of Economy in Humgary. "As far as the Soviet Union is concerned, there is no way to increase trade because they cannot supply us with goods in exchange."

In the first 10 months of this year, Hungary's exports to Western countries grew 20 percent, while exports to the Soviet Union fell 10 percent. Poland's exports to the West rose 21 percent in the first three quarters, while Yugoslavia's export growth rate was more than 15

percent. Of the three countries, only Poland increased its exports within Comecon, and these grew at less than half the rate of sales to Western countries.

Overall, the volume of exports of the Soviet Union and its six Eastern European allies to the West was growing at an annual rate of 6 percent in the first half of this year, according to the United Na-tions Economic Commission for Europe. Durig the same period, officials here said, overall Comecon trade increased by only 0.5 percent.

say part of the surge in trade with the West can be attributed to such exceptional temporary factors as the rising demand and price for grain resulting from the

Economists and government officials

However, Poland, Hungary and Yugo-slavia also have taken measures to encourage exports and are planning even more radical steps for coming years.

All three countries have been coordinating their policies with the International Monetary Fund, which resumed an active role in Eastern Europe this year after a lapse of several years. Hungary and Yugoslavia are both operating under formal IMF stabilization programs, while Poland, negotiating to sign one, has been following IMF recommendations on its trade and financial policies.

Under the urging of the IMF, Hungary and Poland have liberalized controls on foreign exchange and regularly devalued their currencies against the dollar, while Yugoslavia has gone a step further by creating a free foreign-exchange market.

Hungary and Poland have also made it easier for individual companies, rather than state trading monopolies, to earn and keep Western hard currency. These steps have made the East Europeans'

given companies more incentive to ex-

All three countries also have diverted some goods from their domestic markets

While improving the trade balances, this often has caused problems at home. Yugoslavian export policy is accused of exacerbating the country's 200 percent inflation rate, while in Poland, rapidly growing exports of textiles, paper and other products have been blamed for tightening domestic shortages of these

As a result, both Poland and Yugoslavia have resorted to spending their higher export earnings on imports for the domestic consumer market. After a wave of strikes in August. Polish authorities ordered the import of \$300 million of Western supplies for the consumer market.

See EAST, Page 15

Pennwalt Gets Bid Of \$100

Company Valued At \$760 Million

Compiled by Our Staff From Dispatches NEW YORK - An investment partnership Monday launched a cash bid for Pennwalt Corp. that values the whole of the Philadelphia-based chemicals concern at about \$760 million.

Centaur Partners, a New York partnership controlled by Abbey J. Butler and Melvyn J. Estrin, said a subsidiary that already owns 12.7 percent of Pennwalt stock will offer \$100 a share in cash for the rest. Pennwalt's stock jumped after

the announcement, to trade at \$98.50in the afternoon on the New York Stock Stock Exchange from \$83 at Friday's close. Pennwalt makes and sells indus-

trial chemicals and is a leading maker of chlorinated plastic, commonly used in building cable insulation. The company had sales of nearly \$1.2 billion last year. Company executives declined to

comment on the offer. But Pennwalt, a rumored takeover target for months, had taken several defensive steps to thwart unwelcome suitors, including the \$460 million sale of pharmaceutical operations three months ago and a stock repurchase completed last week.

Centair estimated the cost of

quiring all the outstanding shares of Pennwalt, plus fees and ex-penses, at about \$765 million. It said that PaineWebber Funding Inc. has committed to provide up to \$400 million of subordinated

bridge financing.
In addition, National Westmin-ster Bank USA and Marine Midland Bank have committed to provide an aggregate of up to \$200 million of senior bank financing and to seek to arrange a syndicate

to provide up to \$250 million. But they also indicated they would resort to more hostile means to buy Pennwalt, saying they had moved to invalidate the company's so-called poison-pill shareholders'

rights plan with a lawsuit in Philadelphia federal court. The sale by Pennwalt of its pharmaceuticals unit, to Fisons PLC of Britain, and the stock repurchase

were seen partly as a defensive move against the Centaur principals, who had indicated they might make an offer for Pennwalt.

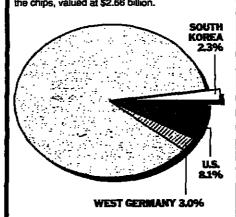
Financial World magazine and is banks' base interest rates. president of C.B. Equities Corp., a The pound finished weaker, falling to New York-based investment port- \$1.8410 from \$1.8493 in London. The represident of C.B. Equities Corp., a folio management company. Mr. duced outlook for an interest rate increase Estrin is a Washington-based in- put downward pressure on the currency. The American Health Services Corp. rvices Corp. report, with the Financial Times 100-stock (AP, Reuters) index falling 2.8 points to 1,747.90.



Y.S. Kim, the executive in charge of microelectronics at Samsung, with a wafer that contains hundreds of one-megabit chips.

South Korea's Growth In Memory Chips

South Korea produced virtually none of the 34 million one-megabit memory chips made in 1987. In 1988 its share rose, along with worldwide production, which totaled 173 million of the chips, valued at \$2.66 billion.



Seoul Takes on the Megabit Elite

Samsung's Advanced Chips Put it in an Exclusive Club

By David E. Sanger New York Times Service

SEOUL — This year, Samsung Corp. began mass-producing one-megabit chips, computer memory devices storing more than a million pieces of data. It is now exporting them in volume, marking South Korea's entry to an exclusive club dominated by Japanese companies - and forsaken by American industry.

For South Korea, whose economic miracle was built on cheap labor and sheer energy, the one-megabit chip is a foray into ultrasophisticated technologies that many had thought beyond its

Samsung says it is shipping 1.5 million of the DRAM (dynamic random access memory) chips a month. It is aiming for 4 million to 5 million chips a month by the end of next year, when it will also start producing four-megabit chips.
The contrasts with the United States, where only

a handful of companies are willing to bear the huge expense and risks of the technology, are lost on no

"The U.S. is losing momentum in microelectronics." said Y.S. Kim, a former executive of International Business Machines Corp. and Honeywell Inc., who returned to South Korea last year after a 30-year absence to head Samsung's effort. "I came back because Korea's gaining it. Indeed, Samsung's mastery of the demanding

technology is a source of national pride for South Korea, whose success has been built around textile factories, shipyards and automobile assembly

However, South Korea's success in one-megabit chips does not necessarily herald a new era of technological competitiveness. Despite tempting comparisons, even the most enthusiastic Korean

As one government official said ruefully, the megabit chip "may be a one-act show," at least for a while.

One reason is that South Korea is desperately short of engineering talent. The megabit chip project at Samsung, and projects like it at units of Lucky-Goldstar International Corp., Daewoo Corp. and Hyundai Corp., South Korea's biggest

See CHIPS, Page 13

Japan's Surplus Soared by 38% In November

TOKYO — Japan's trade surplus surged 38 percent in November from a year earlier, the govern-ment reported Monday, confirming fears that Tokyo might not be able to trim the imbalance much this year, economists said.

The surplus of \$6.55 billion, on a customs-cleared basis and unadjusted, compared with one of \$4.75 billion in November 1987, the Finance Ministry said. On an adjust-ed basis, the November surplus rose to \$7.61 billion from \$7.19 billion in October.

Exports rose 19.5 percent in November, to \$22.63 billion, while imports grew only 13.4 percent, to 16.08 billion.

A strong increase in sales of cars and semiconductors contributed to lion export growth, while a decline in crude oil imports pulled down the import level, Finance Ministry officials said.

with the United States could also be in jeopardy, economists said. That surplus had fallen for the past 10 months but has now risen.

States rose 5 percent, to \$4.42 billion. That was the first rise since "Thirty-two percent is not in the state of the stat "On a volume basis exports rose do," he said.

10.5 percent, which is very, very strong," said Matthew Berlow, an economist with Citicorp Scrim-geour Vickers in Tokyo. "The increase in export volume is the high-est this year. This is part of an accelerating trend."

A Finance Ministry official said

that Japan's trade surplus might keep growing as exports were poised for further expansion.

He also said that unless crude oil prices rose, Japan's imports were not likely to show a large increase. Nonetheless, the official said, it

was a bit too early to conclude that the process of correcting interna-tional trade imbalances has been reversed. A factor in the 37.9 percent year on-year increase in the November trade surplus was slower-than-expected import growth caused by

lower oil prices. Prices averaged \$12.59 per barrel in November, 31.6 percent less than the \$18.40 per barrel a year earlier, he said. On an adjusted basis, November exports rose 6.7 percent, to \$23.80 billion, from \$22.30 billion in October. Imports advanced 7.1 percent to \$16.19 billion from \$15.11 bil-

Economists had warned that Japan's exports might be once again out of control, causing its trade

surplus to surge back and erase all Reductions in Japan's large and the progress in cutting it so far this politically sensitive trade surplus year. Kenneth Courtis, economist at DB Capital Markets (Asia), said with exports climbing so swiftly, imports would have had to surge

The surplus with the United 32.2 percent just to keep the sur-"Thirty-two percent is near the limit of what Japan can po-

The overall surplus was in line with the earlier projection by econ-

The ministry official blamed the increase in the bilateral U.S. surplus on car shipments, which ac-counted for 30 percent of overall exports to the United States.

According to ministry data, See SURPLUS, Page 15

Decline in British Retail Sales Allays Interest Rate Fears

LONDON - Retail sales in Britain

dropped by a larger-than-expected 0.5 per-cent in November, indicating that the country's consumer spending boom may be beginning to slow, provisional data released on Monday showed.

The government also reported Monday that producer prices rose 0.3 percent last month, less than forecast. The two reports helped to calm concern on financial markets of another rise in British

Mr. Butler is former chairman of vestor and former chairman of stock market showed little reaction to the

too early to conclude growth has permanently shifted to a more moderate pace.

sued its most gloomy outlook on British exports since April 1987, Page 15

The Confederation of British Industry is-

economist with Chase Manhattan Securities. But there is still a fairly strong volume

"We're not going to get an increase in rateson these figures," said Ian Amstad, an

sole instrument of economic management ment. there will be little, if any, effect on the trade balance." The British consumer-spending boom,

increase year on year."

"It's still fairly early days yet," agreed Gwyn Hacche, an economist at James Capel to explode to an expected £13 billion this & Co. "Really, the growth has got to come year (\$24 billion), up from £2.5 billion in factors, the annual rate of input price increases jumped from 2.5 percent in October to 4.1 percent last month, the government (Reuters, AP)

Economists generally characterized the figures as positive but cautioned that it was too early to conclude growth has permanenting the government's interest rate policy percent from a decade low of 7.5 percent in figures as positive but cautioned that it was would not begin to bite until sometime next too early to conclude growth has permanentyear.

The opposition Labor Party saw little so-lace in the figures, and Bryan Gould, its trade spokesman, said, "The massive hike in interest rates has still left us with the second-that in the period from Sept. 1 to Nov. 30, highest-ever retail sales figures. If the gov- retail sales were just 1 percent above the ernment persists with interest rates as the previous three months, after seasonal adjust-

> The figures also showed that higher electricity prices pushed up the costs of manufacturing industry 1.5 percent last month, after they had decreased slightly for the pre-

down quite a lot further," he said.

Many economists said they expected a further rise in retail sales last month, believ
The chancellor of the Exchequer, Nigel to 4.1 percent last month, the government (Reuters, AP)

Interest Rates

Doller D-Mork Franc Sterling Franch F YMPOSIUM MINICATION ZERLAND

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7% 7% 7 13/16 7 11/16 8,00 7 15/16 8% 8% 8%

Sources: Reviers, Bank of Takyo, Com-

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Merrill Lyoch Receiv Assets

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Supres: Merrill Lynch, Telerate.

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London 421.00 4

5-yr. bond 100 17/32 100 19/32 8.94 8.94 Sources: Reuters and Landon Petroleum Every Construction Control Cont

U.S. Money Market Funds

out of the change of management that ended the protracted, often bitter battle for Genérale.

As part of the restructuring, Suez group net profit of 2.2 billion to 2.5 billion French francs for 1988 up from a 1987 group net profit of 2.13 BRUSSELS - Société Générale de Belgique announced Monday a major reshuftle of its ownership

structure, including the sale of its 5.2 percent holding in Alcatel NV and an increase in its stake in Compagnie Générale D'Electricité SA of France. Belgium's biggest company also ble our 1987 net profit by 1991 we forecast a net loss of up to 2 billion Belgian francs (\$54.9 million) this

year, as huge restructuring costs outstripped an estimated operating profit of 10 billion francs. In 1987 the company posted a net profit of 3.6 billion francs. Générale said it was selling its stake in Alcatel to the French electricity group and ITT Corp. of the

United States, which jointly con-

trol the Netherlands-based teleco-

munications company, for 10.2 bilhion Belgian francs. In turn, Générale has raised its stake in Compagnie Générale D'Electricité to 4.18 percent from 2.8 percent, paying around 350 million French francs (\$58.9 million) for 900,000 shares.

The French electricity group, which holds 3.3 percent in Générale, is part of the Belgian-French alliance around Compagnie Finan-cière de Suez that fought off an some of the vast sums spent during attempt by the Italian financier, the batle by selling part of its ma-Carlo de Benedetti, to gain control jority stake to friendly institutional Carlo de Benedetti, to gain control of Générale earlier this year. The current restructuring grew year.

Générale Launches Major Ownership Reshuffle

bumper profits next year after the major overhaul of its worldwide operations was completed. "When we announced earlier this year that we expected to don-

"Now we are set to achieve that cent. oal next year."

Just over 12 percent will be
The managing director, Herve de armoy, said the strong growth in

Sodinvest, pending the strong growth in

Sodinvest, pending the strong which it held stakes worldwide to goal next year." Carmoy, said the strong growth in Sodinvest, pending the planned operating profits reflected good sale, while 5 percent has already

Générale was a sprawling con-

hospile bid for control in January.

The new management put into place by the Belgo-French alliance that frustrated Mr. de Benedetti has said it aims to streamline the 300 companies by June. The alliance around Compagnie

Générale said it was set to record a new structure of the majority stake that will facilitate the sale of Générale shares some time next La Genière, said this marked the

Under the complex deal, Suez were told that was absurd," the just over 50 percent, down from trale would be consolidated had chairman-designate, Etienne Da. 60.9 percent, and AG raises its not yet been fixed.

vignon said at a news conference, stake to 12.5 percent from 6.7 per-

performances of key firms in which gone to an investor who was not Generale had also raised its stakes. At the start of the takeover batglomerate with interests in more tle, Generale placed 12 million new than 1,300 companies worldwide shares with Sodecom, then still a when Mr. de Benedetti launched a subsidiary, to thwart Mr. de Benedetti. Suez later took control of Sodecom, which held 42.1 percent

meeting in September. In the course of the ensuing group and shed stakes in more than changes, Mr. de Benedetti further reduced his stake in Générale to 15 percent. He sold just over 4 percent to Suez recently as part of a settlement reached in June that gave him and his associates four seats on the Générale board.

in Generale at the last shareholders

Suez also announced that it exinvestors and in the market next pected to post an attributable

billion francs.

The Suez chairman, Renaud de year when market conditions are first time his company consolidated its Générale stake, but manag-Under the complex deal, Suez ing director Bernard Egloff noted retains control of Générale, with that the method under which Gén-

below 1,000 by next June.

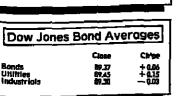
Mr. de Carmoy recently said that

Enjoué! Précisez VOLVIC « Je veux faire de chaque jour une allégresse

gourmande », avec fraicheur et vivacité. donne l'élan... » VOLVIC chez GUYSAVOY Paris 17€ Tél.: 43 80 40 61

Avec les meilleurs plats de Paris

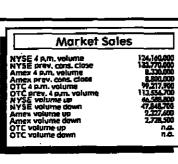
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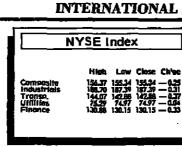
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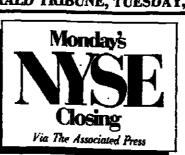
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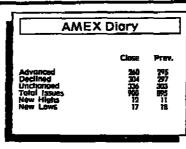


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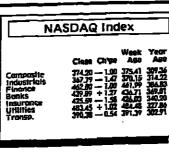


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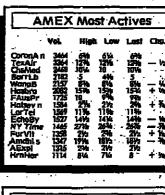


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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewh N.Y. Stocks Reverse Early Gain

Compiled by Our Staff From Dispatches NEW YORK - Prices failed to hold on to early-session gains Monday and closed slightly lower in slow trading on the New York Stock Exchange. Traders cited a late pullback in the bond market and some futures-related selling

for the final-hour reversal.

The Dow Jones industrial average, which rose 1.78 points on Friday, slipped 3.91 to close at 2,139.58.

Declines led advances by more than a 7-6 margin. Volume fell to 124.16 million shares from 133.77 million traded on Friday.

hour of trading and reached a high of around 15 points at midday before reversing course around 3 p.m. "The bond market did come off later in the day," said Ricky Harrington, chief technical analyst with Interstate-Johnson Lane in Char-

The Dow jumped about 12 points in the first

lotte, North Carolina. "Keep in mind we had a runup of some 65

points early last week, and this seems to be a continuation of the consolidation we saw Thursday and Friday."

Mr. Harrington said the market was caught in several mid-December "cross currents" - taxrelated selling and year-end investment - that made daily moves difficult to understand.

"There is no trend right now," he said. "The market is reacting to external factors such as the dollar and short-term moves in interest rates." And while the pullback mirrored a similar move in bonds, Mr. Harrington said "it was

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normal for the market to give back a small portion of last week's gains.

Broad-market indexes also slipped. The New York Stock Exchange index fell 0.25 to 155.34. Standard & Poor's 500 index fell 0.51 to close at 276.52. The price of an average share lost 5

Pillsbury was the most active issue, jumping 3¼ to 62. Britain's Grand Metropolitan sweetened its takeover bid by \$3 a share to \$63 a share. Pillsbury once again rejected the offer. Pacific Gas & Electric followed, down 1/2 to

Continental Illinois was third, unchanged at 51/4. Its shareholders voted overwhelmingly in favor of a one-for-four reverse stock split, effective Tuesday. The move is designed to make the shares more attractive to institutional investors. investors, Abbey Butler and Melvyn Estrin, principals in Centaur Partners, Monday made a \$100-a-share, \$700 million cash bid for the

Company.

AT&T was off ¼ to 29¼. IBM rose ¼

Among the other blue chips, General Electric was up 16 to 46, American Express was down 16 was up % to 40, Antendam Express was unchanged at 86½, Eastman Kodak was down ½ to 45½. Texaco was up % to 50% and Merck was off % to 57%. Prices closed slightly lower in slow trading on the American Stock Exchange

to close at 296.67. (UPI, Remers)

The American Stock Exchange index fell 0.94 Sks. Close 100s High Low Quot, Chige 12 Month High Low Stock Div. Ykl. PE

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BUSINESS ROUNDUP

Grand Met Talks Lift Pillsbury Stock

Compiled by Our Stuff From Departies \$5.49 billion from \$5.23 billion. NEW YORK - Shares of Pills-Grand Met said that on Saturday pany was worth between \$68 and it told Pillsbury it would pay \$65 a \$73 a share, although the company bury Co. rose sharply on Monday on expectations that its British suitshare if Pillsbury agreed to the has been unable to entice other or, Grand Metropolitan PLC, price immediately. The British company then retreated to the tender offer of \$63 a share after Marvin Roffman, an analyst at would ultimately prevail in its bid to acquire the U.S. foods company.

The stock closed \$3.75 higher at Pillsbury's board said it was not \$62 a share on the New York Stock enthusiastic about the new price. Exchange, after Grand Met and Pillsbury's board rejected the Pillsbury over the weekend held \$63 offer as "inadequate and not in the best interests of the company their first talks since the takeover

battle began Oct. 4. No agreement and its shareholders." Pillsbury's board said Sunday Grand Met, a food and beverthat it believed that "in light of ages conglomerate, said on Sunday that it had raised its hostile bid for Grand Met's pressure tactics, the best interest of shareholders will be Pillsbury to \$63 a share from \$60. served by continuing its present

Scottish & Newcastle's Profit Grew by 26% in Half Year

LONDON - Scottish & Newcastle Breweries PLC, recently the target of a hostile bid by Elders IXL Ltd., said on Monday that its pretax profit for the most recent financial half year had risen by 25.7 percent, to £72 million (\$132.5 mil-

The new price raised the offer to

was reached, however.

Scottish & Newcastle's pretax profit for the six months that ended Oct. 30 compared with £57.3 million in the year-earlier period. Sales rose 18.8 percent, to £510.2

million. After-tax profit increased 29.4 percent, to £49.7 million. Elders, the Australian brewery known for its Foster's lager, holds a 23.64 percent stake in Scottish & Newcastle as a result of its takeover attempt in November, which has

been at least temporarily derailed by the British government. Scottish & Newcastle said Monday that beer profits for the six months had been especially strong and that its hotels and retailing operations had gained, too.

the London exchange at 387 pence

Last month, Scottish & Newcas-tle won at least a reprieve from a software an official final offer, \$66 a hostile £1.6 billion bid from Elders after the offer was referred to Britain's Monopolies and Mergers

The Department of Trade and Industry estimated the inquiry would last four months. When the referral was made, the bid lapsed. The department subsequently ordered Elders to stop buying Scottish & Newcastle shares.

Scottish & Newcastle said Monday that wholesale beer sales benefited from strong brand perfor-mances from McEwan's lager, imported Beck's premium lager and Newcastle brown ale. As a result, gains in volume and market share were recorded.

Retail trading and Thistle Hotels achieved higher results, Scottish & Newcastle said, without giving fig-

The overall profit was slightly above analysts' expectations. The percent, to £11.8 million.

SGS-Thomson Is Reported Pillsbury's board said the com-To Want Thorn's Chip Unit

LONDON - Spokesmen for SGS-Thomson Microelectronics said Monday that the French-Italian semiconductor company was holding negotiations with Thorn EMI PLC of Britain. The talks reportedly involve the sale of Thorn's semiconductor unit. In Paris, the SGS-Thomson spokesmen said executives of their

company had traveled to London. Earlier, a British press report said that Thorn, an electronics and retailing company, planned to sell its inmos International Ltd. semiconductor subsidiary to SGS-Thomson.

"In exchange for Inmos, Thorn will receive 10 percent of the shares of the enlarged group," the report said. Such a stake was thought to be worth about \$200 million.

Thorn refused to confirm the report, saying it did not wish to comment on "pure speculation." SGS-Thomson, which was formed last year by the state-owned

Thomson of France and STET of Italy, is Europe's second-biggest semiconductor supplier. It is expected to break even this year.

Inmos was set up in 1978 by Britain's last Labor government as a vehicle to bring Britain back into the microelectronics industry. It has developed the transputer, a revolutionary chip, but its technical success is not reflected in its earnings. It was privatized in 1984 and

After years of losses, inmos, the only large British chip producer, posted a profit of £3.5 million (\$6.5 million) in the six months to Sept. 30. The company opened a branch in Japan in June 1987.

Blackstone Sells 20% Stake To Nikko for \$100 million

Blackstone to diversity into new NEW YORK - Blackstone areas such as "the restructuring of Group said it has sold a 20 percent interest in its holding partnership to Nikko Securities Co. of Japan troubled companies and possibly some areas of trading." for \$100 million.

The stake complements Nikko's previous investment in Black-stone's other unit, Blackstone Cap-Street in recent years. It is headed ital Partners.

Blackstone said in a statement Monday that the new agreement with Nikko, "also formalizes a basis for close cooperation on U.S.-Japanese merger and acquisition transactions between the two joined the company in March.

> its financial advisory activities and its investment-banking affiliates, such as Blackstone Financial Man-In 1987, Nikko became one of the three largest limited-partner in-

The new capital will also allow

The Blackstone Group is one of

the "boutique" financial advisory

by Peter G. Peterson, a former U.S.

The firm has five general part-ners including David A. Stockman,

the White House budget director from 1981 to 1985. Mr. Stockman

Blackstone said new agreement allows Nikko to participate in 20

percent of the profits generated by

secretary of commerce.

vestors in Blackstone Capital Partners, with each contributing \$100 The Blackstone Capital Partners fund now has has over \$750 million

of equity commitments, with coinvestment rights from large institutions that add an additional equity and subordinated debt financing capability of \$5 billion.

U.S. Bank Profits Reach Record

WASHINGTON - U.S. commercial banks enjoyed record profits in the July-September quarter, but a regulator sounded a cautionary note Monday about an increase in bad loans and rising bank involvement in leveraged buyouts.

The Federal Deposit Insurance Corp. said the 13,239 federally insured commercial banks earned \$5.9 billion in the third quarter, topping the previous record of \$5.8 billion in the like quarter last year.

"I think we can say without much question that this year will be an all-time high for banking prof-its," said the corporation's chair-man, L. William Seidman,

The current record of \$18.1 billion was set in 1985. Last year, banks earned only \$3.6 billion, the least profitable year since the De-pression, as they boosted loan-loss reserves on Third World debt.

Banks earned \$16.4 billion for the first nine months of 1988 and several one-time factors should help boost profits for the full year above \$23 billion, the insurance corporation said.

When results are calculated for the entire year, a \$2.3 billion loss by First RepublicBank of Dallas in the first half will be removed. In effect, the loss is being transferred to the government's books in one of the largest rescues ever of a failed

Also, bank earnings will rise by \$1.5 billion in the fourth quarter because Brazil resumed payments on its huge foreign debt.

"The statistics are good, but they're not quite as good as they might appear on the surface," Mr. Seidman said.

ago, compared with 5.2 percent Bad loans jumped 4.3 percent from the second quarter, to \$76.5 billion in the third. Much of the growth for all assets. increase came in the Southwest, substantial, but undetermined, share of bank income is coming from the boom in corporate

where the economy has been depressed by troubles in the oil indus-

the New England states, New Jersey and Florida also rose.

banks, are growing faster national-

Real estate loans, the area that caused the greatest losses for Texas

However, bad real estate loans in

"Leveraged buyout transactions are becoming a big part of banking activity, and that does increase the risk to some extent," he said. He added, however, "I don't have any evidence that would indicate that ly than other types of lending. They institutions are going to function increased 13.5 percent from a year cause of leveraged buyouts. institutions are going to fail be-

Mr. Seidman also noted that a

GM Details Profit Sharing

DETROIT - Roger B. Smith. chairman of General Motors Corp. said Monday that GM would make \$90 million in profit-sharing payments to its U.S.-based hourly and salaried employees.

The plan is based on anticipated 1988 earnings, which will be an-nounced early next year, Mr. Smith said it is made possible by the continued improvements in sales of GM vehicles, improved quality and successful cost control.

The average payment for an employee who worked a full year will be \$200 and about 450,000 workers will benefit, the company said.

Extraordinary capital expenditures prevented profit-sharing pay-ments in 1986 and 1987, GM said

"Most of those capital expenditures are behind us, and our current level of success is proof that those

investments are beginning to pay off," Mr. Smith said.

Separately, an auto industry publication reported Monday that the first cars to be produced by the GM subsidiary Saturn Corp. in 1991 may be come equipped with either a base or high-performance

MetalWorking News, a weekly publication which tracks equipment orders by automakers and other steel-intensive companies, said that the company is considering two four-cylinder engines - a standard eight-valve version with a rating of about 90 horsepower, and a more powerful, 16-valve motor, which may be rated at 114 horse-

DOWET OF MOTE. Mark Tanner, a Saturn spokes man, would only say that the Saturn cars will be powered by fourcylinder engines specific to the company. He refused to comment

on whether more than one engine would be offered. (UPI, Reuters)

(Reuters, UPI, AP) X-RAY: U.S. Is Said to Lag Japan in Developing New Chip Technology

(Continued from page 1) ago, they thought nobody could

Mr. Bloch said it was vital that the United States make a commitment to the technology. "Failing here would be like at the beginning of the 20th century not being involved in the design and construction of internal-combustion engines," he said.

IBM is now the only U.S. computer or semiconductor manufacturer with a real commitment to developing the advanced chipmaking technology. And IBM officials said the cost of developing Xray lithography was already

Industry experts estimate that the cost of developing a chip-mak-ing plant using X-ray technology may jump to \$500 million in the middle of the next decade, Such a plant now costs less than \$100 mil-

"In this country, the only company in the same league with the circuit lines — to make chips lapanese is IBM," said Marcos are faster and more powerful. Karnezos, who was head of a since-

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Packard that had been in the game before pulled out because we would not directly benefit and because we don't have the volume to justify the

financial commitment." Last year, American Telephone & Telegraph Co.'s Bell Laborato-ries also scaled back its backing for X-ray lithography research.

"IBM would be willing to share our X-ray lithography capabilities with selected U.S. firms," said Michael Attardo, president of IBM's general technology division. "All we would ask is that the companies own people."

technology. In the future, manufacturers will be forced to turn to Xrays --- which have a shorter wavelength than light and therefore can be used to draw finer electronic circuit lines -- to make chips that

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discontinued X-ray lithography re-search program at Hewlett-Pack-ard Co. "Companies like Hewlett-rays for advanced chip making is a synchrotron storage ring, a costly circular particle accelerator that generates radiation at the correct wavelength and intensity.

Janney Montgomery Scott Inc.

company is going to go; they just

want a better price."

man, Philip L. Smith.

"Pillsbury is sort of admitting the

Grand Metropolitan said Sun-

day that a meeting had taken place

Saturday in New York City be-

tween its chairman, Allen J.G.

Shoppard, and Pillsbury's chair-

ment said that at the meeting Mr. Smith told Mr. Sheppard "he was unwilling to consider any price be-low 568 a share."

But the British company said

that in another meeting between the top officials of the two compa-

nies on Sunday the range was nar-

rowed down to a willingness by Mr.

Sheppard to discuss a bid of \$65

and by Mr. Smith to discuss \$67. Pillsbury said Mr. Sheppard in-

The two sides were meeting

court Monday at a hearing in Wil-

mington, Delaware, to determine

whether Pillsbury's "poison-pill" takeover defense should be struck

down. The poison pill, also known

would force Grand Met to pay sub-

this takeover defense, Grand Met

may well have to offer more than

Although 87.4 percent of Pills-

bury's shareholders have tendered

their shares, Grand Met has re-

fused to buy the stock pending the

Pillsbury, after rejecting Grand Met's offer to negotiate, in Novem-

ber proposed instead to spin off its

Burger King fast-food unit and dis-

tribute the proceeds to stockhold-

\$63 a share, analysts said.

outcome of the court case.

If Pilisbury is allowed to retain

as a stockholders' rights plan,

stantially more for the company.

share could be available.

The Grand Metropolitan state-

U.S. industry leaders are alarmed in part because of the scale effort.

Experts say the industry is close type chip development and conto exhausting current chip-making mercial manufacturing. The Japa-

In contrast, while the United The new technology is expected

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

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of the Japanese X-ray lithography Government and industry officials say the Japanese now have 10 synchrotron storage rings under development for use in chip-mak-

ing and five more in planning stages. They are particularly concerned because the storage rings are being deployed to provide for a smooth transition between proto-type chip development and comnese will complete two storage this year and four more in

States has numerous research synchrotron storage rings, only IBM is building a ring as an X-ray source for making commercial chips.

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In Japan, two storage rings are being developed at the Electronics Technology Laboratory, a national laboratory in Tsukuba that develops commercial technology. At the Photon Factory, another research laboratory, a number of companies, including Nippon Telegraph & Telephone Co., Hitachi Ltd., NEC Corp., Fujitsu Ltd. and Toshiba Corp. are working coopera-

tively on X-ray lithography. IBM researchers are working with an experimental X-ray lithography system at the Brookhaven National Laboratory, on Long Island. New York.

IBM said Monday that it would make a "major telecommunications announcement" on Tuesday,

Reuters reported from New York. Analysis expect IBM to announce the sale of all or part of its Rohn Corp. telecommunications equip-ment unit to Siemens AG. Analysts estimate Rolm has lost several hundred million dollars since IBM bought it in 1984 for \$1.5 billion.

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Notice of the Annual General Meeting of Shareholders to be held on January 18th, 1989. Sharshalders to be held on January 18th, 1989. Notice is hereby given that the Annual General Meeting of Sharshalders of Sandresek Participations N.V. shall be held on January 18th, 1989 or 3.00 p.m. local time at the offices of the Company at 6, John B. Gartistewey, Curacas (N.A.) to approve the Separt of the Managing Derector, The Annual Accounts of the Company for the finencial year ended May 31, 1988, the cosh dividend and stock dividend for the offer-semiconed financial year, and to discharge the monagement in conformity with the Company's criticis of incompanion.

The official agenda of the stanting may be expected by all Shareholders at the offices of the Company and is available upon request. AMRO TRUST CORPORATION N.V. Hemoglog Director **BNP Mortgages**

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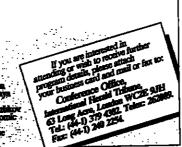
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Trelleborg Sells Option On Holding in SKF

STOCKHOLM — Shares of the Swedish ball-bearings company, AB SKF, slumped Monday on the Stockholm Bourse on news that Trelleborg AB had sold an option to acquire its 10.5 percent stake in the company to AB Patricia, an investment company controlled by the Wallenberg family.

SKF's B free nonvoting shares fell 16 kronor (\$2.66) to 379 kronor in heavy trading, and other SKF shares also fell sharply. Trelleborg B free shares rose 11 kronor to 293.

Speculation that Trelleborg might be preparing a full bid for SKF had buoyed its shares in recent months.

The option must be exercised by Dec. 15,

The option must be exercised by Dec. 15, 1989, Trelleborg said in a statement. Trelleborg did not give a price for the sale, saying only that it had taken place "under prevailing market conditions."

Analysis said it was probably in the region of

600 million kronor.

The deal would increase the Wallenberg family's grip over SKF. Through other family-controlled investment companies, the Wallenbergs previously held 22.8 percent of the voting rights in SKF. This now could rise to 33.3 percent.

Trelleborg disclosed its stake in SKF last July, saying it was purely for investment purposes.

NYSE Highs-Lows

EC Moves to Protect Investors in Securities

BRUSSELS — The European Community adopted rules Monday aimed at protecting investors in stocks and bonds by ensuring adequate information on issues throughout the

quate information on issues unoughout the community.

Issuers will have to distribute prospectuses in advance to authorities in each EC country.

The rules were adopted following changes that would exempt the Eurobond market, where bonds are generally traded by institutions rather than artists.

Britain and Luxembourg had feared that the rules might have driven the lucrative Eurobond market out of the community.

The EC finance ministers also adopted legislation defining the capital base of banks and credit institutions, which will aid the eventual establishment of a single banking license in the community.

Community.

The legislation sets minimum standards for the capital base of banks.

PERSONAL INVESTING

IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS—WORLDWIDE

by Hebe Dorsey Eye-witness accounts of a shimmering era and its beautiful people — dazzling scandals — and crazy crazes — including the horseless carriage and flying machine! Long-time Trib fashion editor, Hebe Dorsey went into the archives of the old Paris Herald (original THE BELLE Eroque. name of today's Trib) and collected the great news stories of the turn of the century — along with glorious, gossipy tid-bits, records of fabulous galas, stunning fashions, gentlemen's duels and "crazy inventions." With hundreds of excerpts of articles, delightful vignettes and 147 illustrations, this book is a vivid

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U.S. Futures

Via The Associated Press

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Company Results

Dividends

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1987 2430. 492.49 420 LONDON — A unit of Britan-nia Arrow Holdings PLC will buy a

no responsibility whatsoever for any a usements for offerings of any kind Britannia Arrow In Taiwan Deal

> 34 percent stake in Ta Yeh Scourities Investment Consulting Co. of Taiwan, the British financial services company said Monday.
>
> The financial services company said the purchase would be made through its Jersey-based subsidiary, MIM Britannia International No financial details were disclosed.

NTT Faces Competition From Lower-Cost Rivals

INTERNATIONAL HERALD TRIBUNE, TUESDAY, DECEMBER 13, 1988

By Sam Jameson Los Angeles Times Service

TOKYO - Nippon Telegraph & Telephone Corp., once Japan's telecommunications monopoly, is facing stiff competition from its rivals after being privatized three years ago. Three major carriers that started operations

in September 1987 offering service 20 percent cheaper than NTT's have seized about 10 percent of the long-distance phone business in the Tokyo-Osaka corridor, where more than 70 percent of Japan's population lives.

And a new round of rate cuts has been announced to further intensify the competition. Kanji Koide, NTT's corporate strategy man-

ager, cited competition from the new rivals as the main reason for the company's 14.6 percent decline in pretax ordinary profit and a 0.9 percent slide in after-tax profit for the first half Despite its first decline in profit since privati-

zation in April 1985, NTT announced that it would lower its own long-distance rates (200 NTT had hardly made its announcement, miles or more) by 8.3 percent, to 330 yen (\$2.70) however, before one competitor, Nippon Tele-

from 360 yen for a three-minute call. NTT also com, disclosed that it plans to step up the said it would reduce adjacent-city and middle-

distance rates. The reductions, expected to go into effect in February, would be the second in NTT long-

distance charges since privatization but the first in 16 years in rates for adjacent-city calls. NTT's competitors, Mr. Koide estimated, had seized 9 percent to 10 percent of the \$6.6

billion long-distance business in the Tokyo-Osaka region. In extreme cases, he said, out-of-city calls from NTT's exchanges in business districts of Tokyo, Nagoya and Osaka had plunged by as much as 20 percent since the new carriers installed their own long-distance lines and began

service. They rely upon access to NTT's lines for local connections. NTT will reduce the differential in its longdistance rates compared to its competitors to about 10 percent after its new rates are imple-

mented, Mr. Koide said.

competition. The concern, which is owned by a group of companies affiliated with Japan Railways, said it would cut its long-distance rates by 7 percent,

to 280 yen from 300 yen for a three-minute call The move, which the other two new carriers were expected to follow, will widen the gap to nearly 18 percent between NTT's rates and

those of its competitors. For the current fiscal year ending next March 31, NTT predicted that it would earn 425 billion yen in current profit, down from an earlier forecast of 441 billion ven and compared with a 496.74 billion yen current profit for the preceding year. The revenue forecast was also revised, to 5.613 trillion yen from 5.524 trillion, compared with 5.662 trillion yen in the preceding

Mr. Koide noted that other factors in NTT's profit decline came from the spin-off of data in July and its first post-privatization reduction in long-distance rates last February.

CHIPS: South Korea's Samsung Joins the Exclusive One-Megabit Club

(Continued from first finance page) They would make simple chips for conglomerates, have absorbed a huge portion of the country's tech-

nology resources. More ambitious projects requir-ing more sophisticated design and software skills — like microprocessors or computer systems bigger than a desktop personal computer
— are receiving relatively little at-

Moreover, South Korea still depends greatly on Japan for the equipment it needs to manufacture advanced microelectronics. Many executives wonder whether they will be cut off by Japan's electronics giants, which often seem more worried about South Korea and its hard-working, low-cost labor force than about the United States.

computer makers. Eager for alter-native sources to avoid overdependence on Japan, they are beginning to line up for Samsung's chips. IBM, which along with Texas Instruments Inc. and tiny Micron Technology Inc. in Idaho is one of the few U.S. manufacturers of megabit chips, is already a customer for Samsung's one-megabit chip. Some big users of chips are im-

pressed. "They have come a remarkably long way in a remarkably short time," said Dick Warming-ton, the president of Hewlett-Pack-Samsung's first memory chip was a 64-kilobit device, based on a ard Co.'s Seoul subsidiary, which has long had close ties to Samsung. "We are planning to purchase a design licensed from Micron. Soon it was discarded, as Samsung engigood deal of our requirements from them. But they still have a long way

to go" in productivity and quality Newly industrialized nations like South Korea, Taiwan and Singapore are no strangers to semiconductors. But in the past, their chief plex structure make it difficult even contribution was cheap labor: for the Japanese to manufacture.

watches or calculators, or take companies have charged that some more complex chips - almost al- of Samsung's success, in both deways produced elsewhere — and sign and manufacturing processes, insert them in larger, ceramic pack- was lifted from their own propriages that could be plugged into etary inventions. The company has

said that it is virtually impossible circuit boards. The designs and technology all not to infringe on some past work, belonged to foreign chip makers, and its executives have spent American or Japanese, which were months signing licensing accords to

it may be the right product.'

Samsung may have made the better choice. The advantage of DRAMs is productivity, which means that for Korea

semiconductor group. For now, however, South Korea's success in one-megabit chips has brought it an ally: American simply moving the labor-intensive settle some claims, while disputing part of the work offshore. in the early 1980s, Lee Byung Chull, Samsung's founder, who died last year, concluded that the

> own semiconductors was a prescription for disaster. The Samsung Group's huge holdings, ranging from giant shipyards and shopping centers to aerospace and test equipment, increasingly depended on Japanese components. And so would its video cassette recorders, color televisions and personal computers.

> neers mastered the delicate art of laying out neat, microscopic rows of memory cells and produced their own 256K chip. Next came the one-megabit chip, whose tiny circuit lines and com-

Kim Chang Soo, senior managing director, Goldstar

In recent months, several U.S.

"It's the price we pay for coming to this business late, Mr. Kim company's inability to produce its

> tion of how much Samsung did by itself, no one questions that it did better than its South Korean competitors. A subsidiary of the Lucky-Goldstar group actually had an earlier start in microelectronics, but has

squandered the lead. In the mid-

1980s the company decided to con-

centrate on semicustom logic chips.

and manufacturing flexibility,

If experts disagree on the ques-

rather than memory chips, which fit all machines and permit highvolume fabrication. "Samsung may have made the better choice," said Kim Chang Soo, the senior managing director of Goldstar's semiconductor

for Korea it may be the right prod-

Unlike specialty chips, DRAMs are a standard part that can fit into any computer or videocassette recorder and thus can be produced in

high volume. Goldstar is now also producing DRAMs, but the delay was costly. It is making only 256K memory chips, a generation behind, while it struggles to refine a megabit chip. So far, Goldstar is selling primarily to itself; its semiconductor busi-

ness is reportedly losing money. Hyundai, better known for cars than chips, is also making slow progress. The other South Korean competitor, Daewoo Telecom Co., has chosen a different course: Custom chips instead of memory chips.

said Park Sung Kyou, the president of Daewoo Telecom. "A good engineer here can get paid \$1,000 a month," about a fourth of the overseas salary. But so far the company has seen little return for the \$100 million

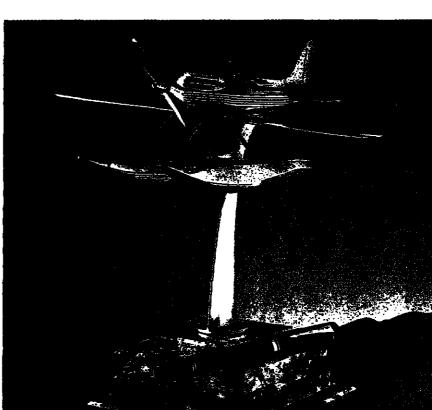
"Our edge is engineering costs,"

invested in the technology. "We think the growth will be slow," he Samsung, with more resources and seemingly more drive than its competitors, is counting on far faster growth.

Company executives said they

expected semiconductor sales to jump to nearly \$900 million this year, driven by a worldwide chip which require much design work shortage that has pushed up prices. Last year, the figure was \$325 mil-A giant fabrication line is under

construction. The company has al-ready spent \$400 million producing the megabit chip. Such enormous costs partly exgroup. "The advantage of DRAMs plain why so many American is productivity, which means that ufacturers have dropped out. plain why so many American man-



Flying may have lost the elegance of the Twenties.

The flying boat. The gin sling. The 18 day flight, Faded memories of a more romantic age

Writing, however has regained it.

machining from a solid block.

back into flying.

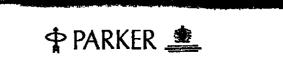
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if you take it up in an aeroplane. Which these days, may be the only way left to put some of the glamour





Tables include the nationwide prices up to the closing on Wall Street and do not reflect lafe trades elsewhere. Via The Associated Press

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A great way to fly SINGAPORE AIRLINES



WE'LL TAKE YOU FURTHER, FASTER YOU EVER IMAGINED.

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Perestroid Dollar Advances in Quiet Trading said that a wider deficit or

NEW YORK - The dollar firmed slightly Monday in thin, dull trading as dealers awaited indications on the direction of the U.S. economy.

After trading in a narrow range throughout the day, the dollar fin-ished ahead of Friday's close against major currencies, but slightly below Monday's London closing levels.

Operators were reluctant to hold large dollar positions ahead of the U.S. trade data for October, to be released Wednesday, dealers said.
They added that short-term speculative trading focused on buying the British pound against the Deutsche mark, and this supported the dollar indirectly against the mark

from 5.9370.

quiet European trading as dealers shortfall in September. Dealers

(Continued from first finance page)

including such rarely seen lux-

uries as tropical fruit and quality

soap. Yugoslavia adopted similar

measures at the end of a hot sum-

Economists say that despite the

gains in exports, none of the three

countries has made significant pro-

gress toward earning enough from trade to meet the annual payments

on their foreign debts to the West.

mer of workers' protests.

London Dollar Rates

awaited U.S. trade and economic

ligures. Dealers said the currency markets traded nervously in advance of a welter of data scheduled for re-

lease this week - most importantly the October trade figures. The dollar closed in London at 1.7425 DM, up from 1.7315 on Friday, and at 122.80 yen, up from

The pound weakened to \$1,8410

122.65.

The pound dipped to \$1.8425

The pound dipped to \$1.8425

The pound dipped to \$1.8425

French francs, up from at 5.9255

on Friday, and at 1.4665 Swiss francs from the contributed this at 1.4645 and to 5.9540 French francs.

1.4645 and to 5.9540 French francs.

Economists forecast a U.S. trade deficit of \$10.6 billion in October, In London, the dollar rose in roughly equal to the \$10.5 billion

the dollar under renewed pressure. while a little changed figure could help calm foreign exchange mar-

Dealers said other U.S. data, including retail sales figures on Tuesday, industrial production and capacity utilization on Wednesday and housing starts and producer prices on Friday, could also have

an impact. Dealers said speculation over possible interest rate moves in the United States and West Germany also kept trading in narrow ranges. The Federal Reserve System's policy-making arm, the Federal Open Market Committee, is to meet on Tuesday and Wednesday, while the West German Bundesbank Council is scheduled to set 1989 monetary targets at its meeting on Thurs-

Some dealers said that if U.S. trade deficit widens in October and the dollar falls, the Fed could raise the discount rate, the interest it charges on loans to banking institutions, from the current 6.5 percent. If the trade gap narrows and the dollar rallies, they said this would give the Bundesbank the opportunity to raise its Lombard rate.

Many analysts said the Fed has already begun to tighten credit conditions

They based this belief on the fact that recent economic statistics have pointed to an economy still barreling ahead, with inflationary pres-sures rising. (Reuters, UPI, AP)

Inverted Yield Curve in U.S. Likely to Persist

By Kenneth N. Gilpin New York Times Service

NEW YORK - The conditions that have produced higher yields on short-term U.S. Treasury securities than on long-term bonds are likely to persist for at least the next couple

of months, credit market analysts say. This unusual situation, known as an "inverted yield curve," last occurred in the United States in July 1982.

In contrast to previous such periods, however, there is little evidence to support a view that the bond market is anticipating an economic slowdown or a recession, the analysts point out. "It will take months, if not several quarters,

to produce an economic slowdown," said William H. Gross, managing director of the Pacific Investment Management Co. in Newport Beach, California. "Investors who bought longterm bonds expecting a downturn soon may be a little premature."

In trading on Monday, the beliwether 30year Treasury bond rose to 100 18/32 from 100 13/32 on Friday. The yield on the bond fell to 8.943 percent from 8.96 percent, while threeyear notes were returning 9.07 percent, unchanged from Friday.

interest rates on long-term debt are usually significantly higher than those on short-term debt to compensate investors for assuming a greater inflation risk. On a graph, the yield curve normally slopes upward, but the present curve slopes downward.

During 1988, the Federal Reserve Board has consistently nudged short-term interest rates higher in an attempt to slow economic growth to the annual rate of 2 percent to 2.5 percent it says is necessary to avoid a further rise in inflation.

Those rate increases, plus the expectation of traders that the Fed will soon raise rates again, have pushed short-term rates significantly higher in recent weeks.

Meanwhile, long-term interest rates have re-

mained relatively steady.

Most analysts attribute the steadiness long-term rates to investor confidence in the create too many bankruptcies. certain technical supply and demand factors at play in the long-term bond markets.

The present supply-and-demand conditions

include a preference for zero-coupon Treasury bonds among institutional and individual investors who are wary of risks in the stock and corporate bond markets. To meet that demand, Wall Street has responded by splitting the interest and principal components of a record amount of Treasury bonds this year. The stripping activity has reduced the marketable supply of long-term U.S. government issues. With no new Treasury bonds scheduled to be

sold until well into 1989, "the yield curve can remain inverted while economic activity contin-

ues at an undesirably strong pace and while inflation remains unacceptably high and rising," said Richard Kelly, president of Aubrey G. Lanston & Co., a primary dealer in Treasury

Even though short-term rates in the United States are likely to top long-term rates for a while longer, there is little reason to expect the

yield curve to become steeply inverted. "The days of the steeply inverted yield curve are over, for the simple reason that our economy cannot afford it," said Mr. Gross. "To have short-term rates that are sharply higher than long rates would cause too much havoc and

job the Fed is doing to combat inflation and to Rate Fears Depress German Bonds Growing expectations that the Bundesbank will raise interest rates on Thursday depressed

the price of German government bonds,

Agence France-Presse, quoting dealers in London, reported on Monday. Domestic bonds suffered more than Euromark issues, dealers said. The 64 percent domestic issue that matures in July, 1997 was quoted at a price of 101.15, down from 101.45 on Friday.

The French bond market was also slightly lower. The French Treasury 9.8 percent bond due in 1996 was quoted at 105.82, down from 105.99 on Friday.

SURPLUS: Japan Figure Surges percent was up from 11 percent in October. (Continued from first finance page) In a separate report, three Japa-Given the high level of over-

automobile exports to the United ness research institutes agreed that States rose 11.5 percent over a year while the country is likely to experiago, to \$2.39 billion, while those of electronic parts such as semiconfiscal year, it will be hard put to ductors jumped 75.7 percent, to reduce the trade surplus.

Overall, Japan's vehicle exports rose 10.1 percent from a year ago, to \$5.72 billion.

"Japanese enterprises have successfully coped with the appreciation of the yen by means of costcutting and streamlining their slight decline. business," said the spokesman, not-

ing that the dollar-yen exchange rate was generally stable this year. percent in the fiscal year through
The official said imports of finMarch 1990, compared with 5 per-The official said imports of fin-

ished products accounted for 51.4 cent this year, while the trade surpercent of Japan's overall imports.

Japan's surplus with the Europe-Japan's surplus with the Europe-an Community rose to \$1.53 billion from \$1.12 billion in November 1987, with exports climbing 28.4 cent, down from 5.1 percent, while percent over a year ago, to \$3.73 billion, and imports gaining 23.2 percent, to \$2.20 billion.

The trade surplus with Southeast would grow 4.6 percent, down from 5.3 percent, while the trade gap just \$713 million a year earlier, with would rise to \$94.2 billion. exports rising more than 27 per-cent, to \$5.80 billion, and imports gaining about 8 percent, to \$4.16 ances." said Hitoshi Oknda, senior

The research arms of Nomura Securities Co., Mitsubishi Bank Ltd. and Yasuda Trust & Banking Co. predicted that the trade surplus would remain large. Mitsubishi and Yasuda saw a small rise in the imbalance, while Nomura called for a

Nomura's NRI and NCC Co. units predicted GNP would rise 4.6

Mitsubishi Research Institute said GNP growth would be 4.1 perthe trade gap would widen to \$95.5 billion from \$94.1 billion. Yasuda Research Institute Co. said GNP

Saudi-Watchers Expect Further Cuts in Spending

NICOSIA - Sandi Arabia may make further heavy cuts in its spending in 1989 as oil revenues drift at their lowest levels in 15 years, diplomats and economist said Monday.

years, diplomais and economist said Monday.

They predicted that the kingdom, when it announces its new budget at the end of the month, might chop as much as 10 percent from the 1988 level of spending, which was estimated at 141 billion riyals (\$37.6 billion). The tightening would follow a series of sharp and painful cuts made every year since 1981, when oil revenue reached a peak of just over \$100 billion.

"Most people expect a smaller budget — how much, no one is sure," said a Riyadh-based diplomat.

Despite last month's agreement by members of the Organization of Petroleum Exporting Countries to cut oil production in order to raise prices, diplomats think oil revenue is unlikely to rise much in 1989 from this year's estimated \$16 billion, and may even fall.

They said cuts would be made as the few projects still going on wind down and as maintenance work is shifted from Westerners to Asians, whose wages are not as high. Government payments might also be stretched out. The government would continue to bridge gap between income

and spending by drawing on reserves built up during the oil boom and through a bond program introduced with last year's budget. "A lot depends on how they project their revenue," said the

diplomat. "I suspect they are waiting till the last moment possible to see how the price of oil responds to the OPEC accords." Diplomats said that, adjusted for inflation, Saudi Arabia's oilrevenues were now nearly as low as they were in 1973, before an

OPEC oil embargo against the West sent prices shooting up by over

Hungary is expected to record its first trade surplus with the West since 1981. But senior trade officials concede that the gain results almost entirely from sharp rises in the price and demand for such important Hungarian exports as American insumed selwheat, aluminum, rolled steel and and the community bulk chemicals.

Monday's

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value.

It is undated twice a year. Via The Associated Press

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turn against us," said one top Hun-tiyear trade agreements it has with garian official, who asked not to be Comecon countries as well as with named. "We still have the task of nonaligned Yugoslavia. changing the structure of what we Government officials said Mosexport and finding stable markets cow has been unwilling to make up m the West" proving trade patterns in all three materials, and Hungary and Yugo-countries is inflexibility of ex-slavia have rejected Soviet offers of

changes with the Soviet Union and low quality of its exports, govern-goods as below Western standards. ment officials said. Moscow is the dominant suppli-er of oil and other industrial mate-surplus with the Soviet Union,

fluctuations, but these can also of deliveries specified in the mul-

the trade gap with increased sup-One of the chief obstacles to implies of oil or other valuable raw As a result, Budapest and Belgrade rials to all three countries and im- while Poland this year is headed ports food, machinery and toward its first trade surplus with consumer goods in exchange. But Moscow in this decade. The Soviet as world oil prices have dropped in the past two years, the Soviets have tals \$1.8 billion, has become a ma-

EAST: 3 Comecon Countries Shifting to More Western Trade Orientation "We have benefited from price been unable to meet the fixed value jor source of friction in their rela-

Strong Pound

Hurts Exports,

Agence France-Presse

LONDON - The strength

of the pound is threatening

Britain's exports, the Confederation of British Industry

said in its November industri-

al survey, published Monday.

The survey of 1,104 indus-trialists found that 28 percent

of respondents considered

their export order books were

below normal, while 23 per-cent thought they were above normal. The 5-point gap

painted the gloomiest picture for exports of any survey since

"The weakening of export order books emphasizes the

difficulty of selling overseas as the pound has strengthened,"

the group's economic situation

committee reported.

But the industrialists were

more optimistic concerning

their overall orders. Thirty percent said they were above normal and only 16 percent

below. The difference of 14

all orders, 36 percent of those

surveyed said they expected an

increase in production in the

next four months while only 9

percent believed their output

April 1987.

Survey Finds

Since East bloc countries do not have convertible currencies, the only way to eliminate the trade gaps is for East European countries to cut back their exports to the Soviet Union. Although Yugoslavia and Hungary have taken this step, they have found that such a shift threatens the existence of many state-owned factories producing low-quality machinery and consumer goods primarily for the Soviet Union.

"The problem," said Mr. Kozma, the Hungarian trade ex-pert, "is that these factories cannot sell their products in any other

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Reviewed by Michiko Kakutani

LIKE a Graham Greene character, Alex Shoumatoff seems drawn to hot, bug-indeen places, tropical backwaters of the Third World, where the superficial comforts and rules of the West do not apply. He is not, however, a skeptical observer like V.S. Naipaul, constantly on the lookout for signs of backwardness and corruption, but rather an old-fashioned traveler, because of such unfamilies places. guiled by the exotic romance of such unfamiliar places.

In the introduction to his latest collection of essays on Africa, he writes: "I was, and am, swept away by these worlds of ecstatic light and color and overpowering beauty, by the birds, flowers, and butterflies, by the seething, radiant life of the rain forests and the markets, by the generosity and the gentleness of the people, by the music and the slow, delicious rhythm of life. . . I came to need these trips to get my juices flowing again and to recover the sense of wonder, so hard to sustain in these

This "sense of wonder" is combined with Shouma-toff's delight in the diversity and peculiarities of the physical world — at his best, his writing combines a naturalist's precision with a journalist's chatty command of facts — and there are moments in "African Madness" when the continent emerges as a kind of garden of Eden.

One essay ("The Last of the Dog-Headed Men"), for instance, is an elegy for the island of Madagascar, a "celebration of a lost, enchanted island world that is on the verge of being obliterated."

The essay on Dian Fossey (which covers much of the

same ground as the recent movie "Gorillas in the Mist," but in a considerably less prettified fashion) contains passages of idyllic wonder. The reader can almost understand why Fossey was so eager to abandon everything to live alone with her gorillas, high on this beautiful mountaintop, where "dazzling little birds with names like scarlet-tufted malachite sunbird darted among lichen-bearded branches and drank nectar from showy yellow Hypericum flowers."

Of course, Fossey's story ended with her love for gorillas turning into an increasingly virulent misanthro-py, which led, in turn, to her brutal murder.

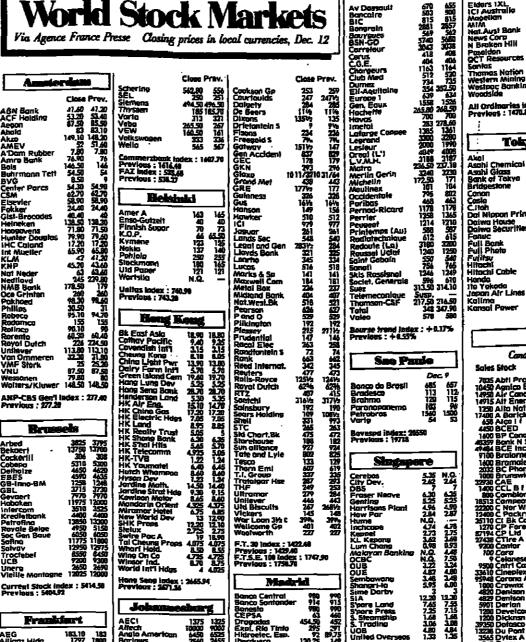
Africa of the 1980s stands revealed as a despoiled paradise, still recovering from the brutal after-effects of colonialism, and desperately trying to cope with abrupt new political and social changes, a continent "undergo-ing biological and cultural destruction on an unprecedented scale, due to overpopulation and the arrival of modern inventions like buildozers, chain saws, defoliants, and television."

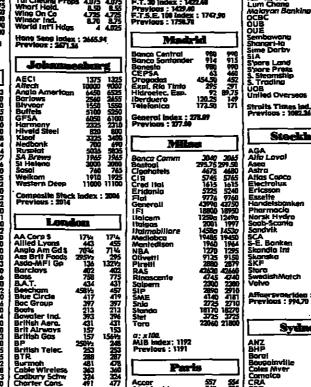
This Africa is a place where the desires of Western naturalists and animal lovers collide with the needs of local people to farm and hunt and make a living; a place where modern sexual liberation has accelerated the spread of AIDS, but where ancient superstitions and poor medical facilities undermine efforts to contain it. It is a place where the confusions created by coloniza-

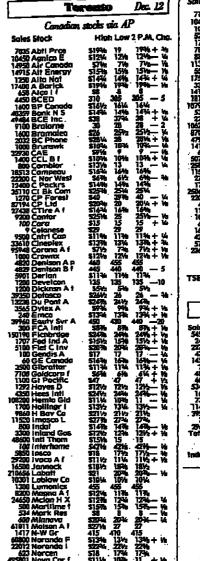
tion and rapid decolonization enabled monsters like Idi Amin and Jean-Bedel Bokassa to rise to power. If Shoumatoft's chronicle of Bokassa's rise and fall reads like something out of Gabriel García Márquez's "Autumn of the Patriarch," his account of his travels through the AIDS belt of central Africa becomes a Conradian voyage into the very heart of darkness.

Michiko Kakutani is on the staff of The New York

World Stock Markets







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INTERNATIONAL MANAGER BY SHERRY BUCHANAN

IN THE IHT EVERY THURSDAY. ESSENTIAL READING FOR EXECUTIVES WORKING IN THE !-

CHESS

By Robert Byrne

THE Banco Concepción Interna-tional Tournament, a double-round quadrangular competition held in September in Vina del Mar, Chile, was won by Ljubomir Ljuboje-vic. Last place went to the home town favorite, the grandmaster Ivan Morovic, who won no games, drew four and lost two for a 2-4 tally. Morovic's stumbling block was Ljubojevic, whom we see defeating him for the second time with a sharp mating attack in the fourth round.

When Black develops with 13...Bb7 in the Chigorin Defense to the Ruy Lopez, he hopes to offer the Panov Gambit with 14 Nf1 Rac8 15 Bd3 d5!? 16 ed e4! 17 Be4 Ne4 18 Re4 Bd5 19 Re1 Qb7, creating powerful pressure, as in the debut game, Verlinsky-Panov, Moscow, 1944. But the wary Ljubojevic kept solid cover-

age for his center pawns by leaving his queen knight at d2.

By closing the center with 16 d5, Ljobojevic rendered the black queen bishop inoperative. Morovic hoped to improve its scope by working to loosen the white center with 17...f5, but this thrust also loosened the black kingside.

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knight into his parlor with 21...h6 22 Ne6 and then accepted Ljubojevic's pawn sacrifice with 22...fe 23 Ne4 Nd5. He could not play 23...Bd5? because 24 Nf6 Bf6 25 Rd5 Qe6 (25...e4? 26 Qe4 Bb2 27 Qh7 Kf7 28 Bg6 Kf6 29 Rf5 Ke6 30 Re1 Be5 31 Rfe5! de 32 is annihiliting) 26 Bf5 costs Black the exchange.

On 26 Bc2, Morovic should have tried 26...Nf4 27 Rad1 d5 28 Nc5 Qc6 29 Nb7 Qb7 30 Be5! Nb3 31 Qb3 Re5 32 Qd3 Qf7 Kf8 34 Rd3 Ke7 with chances to survive. Instead the Chileano erred with 26...Nf6?! and permitted Ljubojevic even stronger attacking chances after 27 N/6 Qf6 28 Qd3.

Now 28...g6 was mandatory, but Morovic tried to fight back with 28... Og5? and ran into sheer ferocity with 29 Qh7! Kf7 30 f4!, which simultaneously defended the white king and opened lines against the black one. After 30...ef 31 Rf1, there was no

defense by 31...Rh8 because 32 Bg6! Ke6 33 Qg7 is crushing. After 31...f3 32 Rdf2, there was no hope for Black in 32... Re6 because of

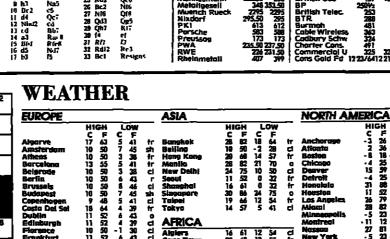
decisive attack. After 32...Re3 33 Bc1, Black could Morovic lured the white king not play 33...Rde8 because of 34 Rf3!

33 Rf3! Bf3 34 Rf3 Ke8 35 Bg7 with a



Bt3 35 Rt3 Rt3 36 Bg5. Moreover, 33...Ke7 34 Be3 Qe3 35 Qg7 Ke6 36 b4! leaves nothing in doubt. Morovic

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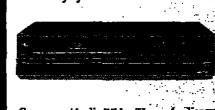
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THAT SCRAMBLED WORD GAME by Henn Amoki and Bob Les ANGLD TIDEF **BELMIN** WHAT A PERSON WHO'S ALWAYS CICKING SELDOM HAS SWORDY Now arrange the circled letters to form the susprise answer, as suggested by the above cartoon. LINCAP TRACT FRIGID IODINE What many people start out on, right at they return home from a vacation—

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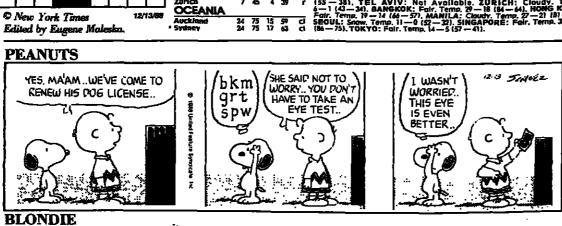
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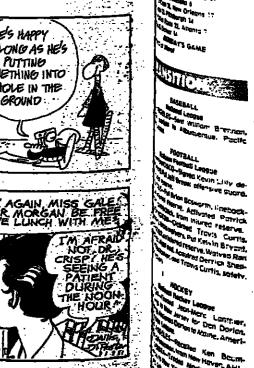












SPORTS

For Lefty Driesell, Squeaking Sneakers and the Arching Swish Were Irresistible

By William C. Rhoden New York Times Service HARRISONBURG, Virginia - It is A.M., but a thick veil of darkness still hangs over the central Shenandoah Valley. At a truckstop along Route 11, blinking red lights on rows of rumbling 18-wheelers dot the night while their drivers shiver through an early-morning

This is normally not a time associated with college athletes or athletics; in fact, this is usually the heart of their down time after tough practices or grueling

But a few hundred yards up the road, lights are burning brightly inside the James Madison University Convocation Center. There, the fam of sneakers squeaking on a slick wood-en floor and the staccato thumping of bouncing basketballs can be heard. Charles G. Driesell, the Dukes' 57year-old, first-year coach, stands at

midcourt, arms folded, supervising the

predawn practice that he initiated in



Lefty Driesell, after the Bias death.

He had done this once before, about going to stay up that late." 31 years ago, as the junior varsity coach at Granby High in Norfolk, Virginia.

The varsity had the floor from 3 to 6 and I would have been farfetched, if not unthinkable, that a coach of Driesell's stature

want to keep the kids up that late." It is ironic, and perhaps symbolic of a career that has come full circle, that 31 years and more than 500 college victories later, Lefty Driesell once again finds himself working before dawn. Only now, an ocean filled with triumph and tragedy separate the man's past from his present. Even the rationale for predawn practice has shifted: back then it was to protect the players, now it's to

"it gets'em up in the morning," Driesell said last week after his team had lost by 19 points to Virginia Tech. "A lot of kids cut class because they oversieep. In college a big problem you have is guys staying up late at night, playing cards, going out with girls or whatever they do at night. This way, if they've got to be at practice at 6 in the morning, they're not

and I would have had to practice from 6 would even consider joining an unher-to 8," Driesell recalled. "I just didn't alded program like James Madison's.

gest active coaches and has had just one osing season in 26 campaigns. The Dukes, on the other hand, have had just one winning season in the past four

But a chain of events that forced Driesell out of coaching and into an invisible administrative position at the University of Maryland ultimately forged a marriage of wants and needs. As Ronald Carrier, the James Madi-son president, explained: "Here we

wanted to coach.' If the hiring of Driesell sparked excitement, his arrival has stirred a sense of anticipation at James Madison. A day after the university announced

were with a strategy and we needed a coach. Here was Lefty Driesell, who

that Driesell would be the new coach, more than 150 reporters and television crewmen found their way through the Allegheny Mountains to this mediumempus in central Virginia for Driesell's first news conference. In addition, 500 students showed up

at the Convocation Center to catch a sion of rigorous investigations, includof a dream in front of them

"Villanova won a national championship, Georgetown won a national championship," Driesell said, "and both of these schools have less students

For a number of observers, the more interesting aspect of Driesell's presence here is not the promise of good times that accompanied his arrival but the philosophy behind his selection. Indeed, for all of the cheers and in-

creased booster support, Carrier had to explain the rationale for hiring a coach who had been associated with one of the most publicized tragedies in recent col-lege basketball history. Three seasons ago, Len Bias, the all-American from Maryland, died from

cocaine intoxication two days after being chosen as the second player in the National Basketball Association college

Bias' death was followed by a succes-

SEATTLE - After six years in

the National Football League, Curt Warner of the Seattle Seahawks

knows that destiny's doormat

sometimes becomes destiny's dar-

night's 42-14 victory over the Den-

ver Broncos that knocked the Bron-

cos out of the play-offs and gave Seattle first place in the American

NFL ROUNDUP

Football Conference West Divi-

Warner, coming off a career

worst 10 rushing yards against New England, gained 126 yards and ran

for a team record four touchdowns

as the Seahawks set up next Sun-

day's game with the Los Angeles

Denver's coach, Dan Reeves,

watched his team give up 28 first

downs before Seattle finally punted

"I can't believe we're that bad

Quarterback Dave Krieg com-

pleted 19 of 22 passes for 220 yards

and two scores in Seattle's victory.

John L. Williams rushed for 109

yards, the second time both Wil-

"I can't explain it," Seahawks

coach Chuck Knox said. "Every

week is different in this league. This

for the first time in the fourth quar-

good," a subdued Reeves said.

Raiders as the division decider.

demic well-being.

The following October, Driesell was forced to resign. He chose not to fight the school and instead accepted a deal in which he became assistant athletic director. Driesell was called to testify before a grand jury. He was absolved of any wrongdoing, but the entire process left Driesell with a tarnished image.

"We recognized that we would take some hits, and we took fewer than we thought we would," Carrier said.

Driesell is settling in. He hired his son, Chuck, a former prep school coach, as an assistant at James Madison and is puilding a home.

Driesell's presence here is part of a grand design by Carrier. He plans to use the university's athletic program - basketball in particular — as a highly visible public relations device. Enrollment passed the 10,000 mark

glimpse of their new coach and cheer ing one by the university, which found a wildly as he dangled tantalizing morsels pattern of neglect within the basketball realized that we were still viewed with rogram pertaining to the athletes' aca- the smaller institutions. We needed to be playing schools we wanted to be considered equal to: Old Dominion, William and Mary, Richmond."

For Driesell, the rationale for leaving a lucrative but unfulfilling job at Mary

land was simple. "I didn't really like going to Mary-land every day," he said. "They wanted me to sell insurance, but I'm a basket-

ball coach." The Dukes are off to a 4-2 start and face a grueling campaign in the Colonial Conference with a cast of inexperi-

Driesell has little doubt, however,

about the long-term outlook. "I wouldn't be here if I didn't think we could be in the top 10 or recruit the best players," he said. "I did it at David-son, I did it at Maryland, now let's see if I can do it at James Madison. Maybe I won't be able to. That's what makes it

this season by the Green Bay Pack-ers? Particularly in a year when more than half the 28 teams in the

NFL remain alive after 15 weeks? We got ourselves into the posi-

tion we wanted to be - within one

game of the Bears — then we gave it back," quarterback Wade Wilson of the Vikings said Sunday after

Minnesota lost to Green Bay, 18-6.

That allowed Chicago, which barely got by Detroit, to clinch the NFC Central and made next Mon-

day night's showdown in Minneso-

ta anticlimactic — except for the possibility that a loss could knock

the Vikings out of even a wild-card

Other than that, the NFL play-

off picture is, with one week to go, a

combination of "its, "ands," "ors"

and "buts" that finally will com-

plete the 10-team play-off field from the 15 still alive after next

Four teams are in — Chicago

Buffalo and Cincinnati. all of

whom had previously clinched

playoff spots, and San Francisco, which beat New Orleans 30-17

Sunday.

Stay of Execution for Landry

allas Cowboys' locker room in FK Stadium here, you could hear e players chanting, "T.L.! T.L.!" side, coach Tom Landry could at the words of center Tom Rafcity, who was speaking for every

"I said, This man has taken a lot of grief and unfair criticism. But he's stuck by us. And he's the guy who's going to get us back on 'op,' said Rafferty, a Cowboy for seasons, including a chunk of plory days of what came to be

wn as America's Team. 'And then I gave him the ball."
Rafferty said it as though he ould hardly believe he had the ndacity to give Landry a game all. So what if the Cowboys had ast 10 games in a row? So what if hey'd just beaten the defending world champions in their own ball-

How do you hug a statue? How do you heal the hurt feelings of a

cold, calculating or made of stone Sunday when the Cowboys defeated the Redskins, 24-17. He was, and is, vulnerable these days. Aging a bit and beaten often, he's showing his heart and drawing

FOOTBALL

NFL Standings

x-Chi cogo Minn esoto Toma za Bay Detra 41 Green 1 Bay

Francisc 10

ched division title)
ched playoff berth)
SATURDAY'S RESULTS

SATURDAY'S RESULTS
York Jets 34, Indianosolis 16
deishio 23, Phoenix 17
SUNDAY'S RESULTS
on 41, Cincinnati 4
s 24, Washinston 17
go 13, Detroit 12
York Glonts 28, Konsas City 12
'England 16, Tompa Bay 7, OT
o 27, Los Angeles Raiders 21
Bay 18, Minnesoto 6
rancisco 26, New Orleans 17

rancisco 30, New Orleans 17

lego 20, Pittsbursh 14 ngeles Roms 22, Atlanta 7

MOITIZMAS

ATTLE—Put Srien Besworth, linebock

HOCKEY

Netleasi Hockey League ISTON—Traded Jean-More Conthier, I wing, to New Jersey for Dan Darlon. Wing. Assigned Darlon to Malne, Ameri-

15 ANGELES-Recuiled Ken Boum-

ner, defensemen, from New Hoven, AML.
NNESOTA—Treded Mark Hardy, deman, to New York Rangers for Larry
and, left wins, and a fifth round draft
ce in 1989.

ce in 1989.

"W JERSEY—Assigned Jean-Marc their, right wire, to Utica. AHL.

"V. ISAL NOERS—Recalled Alice Wolsk, wire, from Sortnetield, AHL. Sent Jeff cett, seathender, to Sortnetield.

"V. RANGERS—Sent Alice Richter, soilCleature, interprotional floridery is sense.

SCOREBOARD

AMERICAN CONFERENCE

0 .733 428 312

.533 296 272 .467 288 326 .467 396 342 .333 287 319 .300 241 296

WASHINGTON — Outside the VANTAGE POINT/Thomas Boswell

forth sumption in his young team in response. They're down; in fact, they're awful. But he refuses to desert them. Tom Landry doesn't

"We thought we'd won the Super Bowl. We were looking for the champagne," said Landry, his voice full of Texas twang, relief and merriment. "We're really delighted. Especially against my favorite group, the Washington Redskins. I'd say, under the circumstances, it was one of our greatest victories."

When the Redskins' final pass

failed in the end zone, Landry threw his arms over his head in joy. 'I don't know if I've ever show that much emotion here," he admitted. "I doubt it." Linebacker Engene Lockhart ran to Landry, hugged him and screamed, "We finally made it!" That seemed to free something in the 64-year-old coa-Tom Landry, however, was not ch, and he started looking for players to grab. First, Landry patted Jim Jeffcoat's big tummy, then he jogged to smack the rear of Michael Downs, who made the game-saving

BASKETBALL

NBA Standings

Cowboys, and Landry in particu-The Cowboys insist that Landry

is still the best. During the 10-game nightmare, he heard himself described as senile and read polls where two-thirds of Dallas fans say he should retire immediately and not finish the year that remains on his contract. With the Cowboys up for sale. Landry's future could be in jeopardy. Last week, a minority owner, Ed Smith, dared to say be would buy the team and fire the

Could this Dallas victory have saved Landry's job? "I don't know," said Landry, breaking his career record for smiles and quips in one day, "whether I want to save it or not'

Landry doesn't care what any-body thinks of his coaching. Except his players. Let Randy White, a longtime Cowboy, speak for them all: "He deserves a game ball each week. If you're on the inside, you know this is one of the best coaching jobs he's ever done here. We've lost 12 games but nobody's quit." "That comes from the top. He's

still out there coaching every posi-

BASEBALL

Winter Meeting Deals

illiggn, 15, Traded Dava Kline, p. to Montre-

of, and Jerry Browne, Zo; signed Jesse Orosco, p, to a two-year contract plus an ap-

Renament In of the American Associ-tion of the American Associ-tion of the American Associ-

ALLWAUKEE—Traded Bill Schroeder, c. to Colliernia for Gus Pelidor, int; signed Odell James, pitcher, to a Class AAA contract. AINNESOTA—Agreed to terms with Jim

EASTERN CONFERENCE

Central Division
16 4 .800
1 13 4 .765
12 8 .680
19 9 5.20
10 9 .526
4 14 .222
WESTERN CONFERENCE
Mittens Division

SUNDAY'S RESULTS

Son Antonio 30 24 27 29 13—122
Pertiand 22 22 40 16 18—128
Draxier 15-26 11-13 41, Kersey 10-21 45 25;
Brickowski 10-19 5-8 25, W.Anderson 7-12-5-6 19,
Rebeunds: Son Antonio 61 (Brickowski 12),
Destinate International Control of State State

Minwaisee
Moncrief 8-12 7-8 2), Curamings 19-29 6-9 20;
Worthy 19-21 1-2 21, Thompson 7-4 4-4 18, Rebounds: Los Angeles 36 (Green 6), Milwoukee
46 (Krystiowick, Silono 91, Assists; Los Ange-

Selected College Results

WALES CONFERENCE

Smyffba Division:
21 5 4 46 132 79
19 10 1 39 141 122
17 11 3 37 146 124
12 10 5 29 118 114
12 15 5 29 109 106

sances
Rislay (15), Gartner 2 (7), Couring! (14),
Ledyard 2 (2): Dannelly (3), Rustlu (5), Heoue (6), Shesoard (8), Shets as seat; Washington (on Puspa, Clouther) 10-8-12—30; Butfala
(an Peeters) 7-10-8—25,

Vancouver 2 2 4-9
Pederson 2 (19), Skrike (18), Sandisk (4),
Linden (15), Sufter 2 (6), Smyl (4); Ehmolk
(11), Ellert (15), McBolin (17), Boschman (3),
Aption 2 (10), Shets on sooi: Winniper (on
McLaum) 8-14-10-22; Voncouver (on Chev-

HOCKEY

NHL Standings



tion. If they leave Tom Landry alone, he'll turn this team around

probably go over and pour the water. That's the respect I have for the

play? Landry, of course. "Three Jet, Y and X Cross, Wing Hank." That means Landry figured how to get his hot receiver, Michael Irvin (three touchdown catches),

Landry doesn't want the easy Ken Mowell, p. and Garden Dillard, p.
BOSTON—Traded Spitice Owen, ss, and Dan
Galkeler, p. to Manhreal for John Doplan, p.
and Luis Rivera, Inf.
CALIFORNIA—Acquired Bill Schroeder, c.
from Milmoutice for Gus Polidor, Inf.
CLEVELAND—Signed Bud Black, p. to a
ne-veor contract; Iraded Julio Franca, 2b. to
Texas for Pate O'Brien, Ib, Oddibe McDowell,
pl. and Lerry Romens, 2b. stand Jesses DETROIT—Agrees to lerms with Al Pedri-

> But that's not what Landry sees, or, at least, will allow himself to see. He's the only coach the Cowboys have ever had and, dogged as a real cowpoke rounding up strays, he's going to drag them back to the top. Then retire. If he feels like it. "Patience," Landry says, then re-

Dwyer, of, on a one-year contract; traded Mark Pertugal, p. to Houston for Todd Mc-Clure, p; acculred Welly Backman, 2b. and Alike Santlage, p, from the New York Mets for Mike Santiago, p, from the New York Mets for Jeff Bumparner, p, Steve Gasser, p, and Toby Nivens. p.

NEW YORK—Sent Clay Parlar, p, outrish to Columbus of the International League: agreed to terms with Andy Howkins, p, on a three-year contract; sent Hol Morris, of, outright to Columbus of the International League; traded Bobby Meacham, inf, to Topas for Bob Brower, of.

SEATILE—Agreed to terms with Jeffrey Leanard, of, and Tom Niedentuer, p, on twe-year contracts.

Leanard, of, and Tom Niedentuer, p., on two-year contracts.

TEXAS—Acculred Julio France, 2b, fram Cleveland for Pela O'Brien, 1b, Oddibe Mc-Dowell, of, and Jenry Browne, 2b; acculred Bobby Meacham, Inf. from the New York Yan-less for Bob Browner, of; acreed to terms with Edvin Correc, p., and Kevin Relmer, of, or one-year contracts; signed John Gibbons, c. to a minor leadue contract, and assigned him to Okiohoma City of the American Association; agreed to terms with Nation Ryan, p., on a one-vear contract; secured Ratios Pathering, of; year contract; occurred Rates! Palmetre, of: Jamie Mayer, A. and Drew Hall, p. from the Chicago Cubs for Curtis Wilkerson, inf; Mitch

CHICAGO—Traded Ratasi Palmeira, of; Jamie Maver and Draw Hall, a, to Texas for Curits willsersen, lar; Mitch Williams. p. Poul Kisus. p. Stew Wilson, p. Luis Bentizz. s., and Poble Delgade. of: agreed to lemms with Scott

Poblo Delgada, of: opreed to terms with Scott Scaderon, p, on a one-woor contract.

CINCINNATI—Signed Rick Mahler, p, to a two-year contract; assigned Condy Signer, p, to a two-year contract; assigned Condy Signer, p, cutright, b) Noshwille of the American Association; opreed to terms with Dave Collins. 1b. on a ans-year contract.

HOUSTON—Acculred Mark Pertusol. p, from Allmagoto for Todd McChure, p.

LOS ANGELES—Troad Britan Helton and Kan Howell, p, and Jay Bell, init, to Baltimore for Eddle Marray, lb; signed Mario Sotu, p, to a Class AAA contract. a Class AAA contract, MONTREAL—Acquired Doug Kilne, p.

MONTREAL—Acquired Doug Kline, p. from Bollimors to complete freds for Alike Smith, p.; occulred Spiles Owen, st. and Don Gakeler, p. from Boston for John Dopson, p. and Lute Rheet, left; occulred Kavin Gross, p. from Philadelphia for Flyad Youmans, p. and Jeff Parrett, p.; acquired Mike Aldrets, outlielder, from Son Francisco for Tracy Jones, outlielder.

and Mike Santiago, p., to Minnesota for Jett Burngarner, p. Sleve Gasser, p. and Taby Ni-PHILADELPHIA—Traded Kevin Gross p. MAINTENERS (PRIME TYPE REVISED BY A MAINTENERS (PRIME PRIME Chicage 6 4 1-5 Grahom (11). Volve (11), Sutter (3), Soverd 2 (12); McKesnev 2 (10). Shots on socil: St. Losis (on Pana) 5-11-10-24; Chicage (on Mil-ian) 5-11-15-31.

PITTSBURGH—Traded Randy Millioon. lb, to Bairimore for Pele Sichm, p.
SAN FRANCISCO GIANTS—Signed Lory
Sarensen, p. to a Class AAA contract; traded
Mike Aldrete, et, to Montreal for Tracy Jones.

SAN DIEGO-Signed Gorry Templeton, 44.

Different hat for Tom Landry.

This guy's one of the greatest coaches who ever coached any-thing. And he still is."
"If he told me to stand over there

and pour water," added White, "Td

From a distance, it is easy to wish that, after five Super Bowl trips, Landry would hang up his fedora with stoic dignity and amble away. But that denies the competitive fire in this man only those close to him can feel. With less than five minutes to play in frigid RFK, the Cowboys faced third and nine at the Redskins 12. Score tied, 17-17. Who called the game-winning

isolated on Dennis Woodberry, who had replaced the injured Dar-

the engraved invitation to the Hall of Fame. Maybe the times have passed him by. Maybe he shouldn't come so close to being his own offensive and defensive coordinator. Maybe he doesn't delegate enough. Maybe the flex defense is passé. Maybe the linemen he's got now would be bad enough to doom any coach for years to come.

peats it a couple of more times.
"You can't build anything without

High Court Backs NCAA On Discipline

The Associated Press WASHINGTON — The U.S. Supreme Court, in a setback for basketball coach Jerry Tarkanian, has bolstered the power of the NCAA to discipline its member

colleges.
The 5-4 ruling Monday also could help the National Collegiate Athletic Association in its effort to police drug use by athletes at staterun member schools.

The court said the NCAA, in disciplining Tarkanian, did not violate the constitutional rights of the University of Nevada-Las Vegas coach because the athletic body acted as a private organization.

Justice John Paul Stevens said the university had governmental power because it is a state-run school. But Stevens said the NCAA, in seeking to discipline Tarkanian, was acting independently from UNLV.

The NCAA "is more correctly characterized as an agent of its re-maining members, which, as competitors of UNLV, had an interest in the effective and even-handed enforcement of NCAA's recruitment standards," he said.

Tarkanian was accused in 1976 of numerous rule violations by the NCAA, including arranging for a student to get a "B" grade without attending class. The NCAA placed the UNLV basketball program on two years' probation in 1977.

Private organizations generally cannot violate someone's constitutional rights. Only a government can do that because the Constitution protects against governmental, but not private, wrongdoing.



Seahawks Bump Broncos, 42-14

A referee tries to protect Bronco quarterback John Elway, No. 7.

three weeks ago.

In a 21-point second quarter, Montana was 8-for-8 for 131 yards, was this week and last week was including a 68-yard touchdown last week."

as to John Taylor.

Seattle is attempting to win the Rams 22, Falcons 7: In Anaheim, first division title in its 13-year his- California, Jim Everett threw for tory, and, despite the modest re- 303 yards and one touchdown and cord, Warner has his sights set Mike Lansford had three field higher. goals and an extra point to become
"You can get hot this time of the Rams' all-time scoring leader...

year no matter what your record is," Warner said. "We could win Lansford has 574 points in his three or four games and be in the mark of 573 set by quarterbackcisco, the 49ers won their fourth consecutive game as Roger Craig son with 285, topping Vince Ferracoffs because it can't beat the worst ran for 115 yards, Joe Montana ran gamo's mark of 274 in 1983.

added three field goals. New Or-game against his former team. Bowl when they have accounted for leans lost its third straight and fifth threw a touchdown pass and ran two of the three victories posted

liams and Warner have gone over in seven games after holding a two- for another. San Diego, which had 100 in a game this season. game lead in the NFC West just scored only one touchdown in the scored only one touchdown in the three previous home games, also got a career-high 170 yards rushing

from Gary Anderson. Malone, acquired in an off-season trade after being booed out of Pittsburgh, got his first win as a starter since he led Pittsburgh to a 20-16 decision over the Chargers a year ago. Malone, who completed 17 of 24 passes for 148 yards, had

been 0-6 as a starter for San Diego.

Play-Offs Unsettled Suddenly, with a week to go in Super Bowl and everybody would placekicker Bob Waterfield in the the NFL season, the team that wonder what happened."
early 1950s. Everett completed 24 most everyone has been calling the
49ers 30, Saints 17: In San Franof 33 passes and also set a club best in the league for the past few record for completions in one sea- weeks may not even make the play-

for one touchdown and threw 68 Chargers 20, Steelers 14: In San To put it precisely, how can the yards for another, and Mike Cofer Diego, Mark Malone, in his first Minnesota Vikings get to the Super

Sunday. But only the Bills in the AFC East and the Bears in the NFC Central have clinched divi-

The wild-card possibilities, particularly in the NFC, are so complicated that nothing less than a computer is needed to break them down. In fact, both the league and San

Francisco 49ers had announced prior to Sunday's game with New Orleans that San Prancisco would clinch at least a wild-card berth with a victory.

More than four hours after the 49ers beat the Saints, however there were still questions about whether the 49ers had qualified or whether they might lose a threeway tie for two wild-card spots with Philadelphia and Minnesota on the basis of net points within the divi-

The answer from the league of-

fice was no. The NFC is so complicated that it could best be explained this way: if the season were over now, the five NFC play-off teams would be the Giants, Bears, 49ers, Vikings

Dave Appleton, an Australian, winning the bareback competition and top-U.S.-cowboy honors.

Do They Ride Kangaroos?

The Associated Press LAS VEGAS - America's top cowboy is an Australian. Dave Appleton, 28, a small-

town Australian who came to tife United States eight years ago with a dream of making it big in rodeo, did just that Sunday when he captured the bareback riding final to edge the three-time defending champion, Lewis Feild, and win the coveted all-round

cowboy award. "I'm living proof that dreams come true," Appleton said. "I'm an Australian until the day I die, but you'll never find me badmouthing this country. It's answered every dream I've ever

Appleton, who now lives at Arlington, Texas, came from behind on the final day of the the bareback riding event and take the all-around title that Feild has owned the last three "I did it the Australian way,"

Appleton said. "I didn't bang down the door, I sanck through Feild, of Elk Ridge, Utah, failed to place in the bareback final and finished in a tie for

third in the saddle brone riding. Appleton ended the season with \$121,546 in winnings, with \$44,064 of that coming in the nine-day National Finals Rodeo at the University of Nevada-Las Vegas. Feild finished just behind

Appleton, who came to the United States in 1980 after hon-ing his skills on the Australian any better than Lewis Feild."

Appleton with \$120,902.

world's richest rodeo to capture rodeo circuit, drew the toughest horse of the competition when he went for his final ride before a sellout crowd of 16,672.

He proved to be up to the challenge, riding Kingsway Skoal to a score of 81 to win the event's \$9,180 first prize and clinch the \$19,966 purse given to the cowboy who wins the overall average in each event.

"They don't come any better than that horse," Appleton said. "He helped me get a title. I owe part of it to the horse."

Appleton aspires to a career in modeling and acting.

"Lewis Feild has got nothing to be ashamed of," said Apple-ton, who helped hold Feild's horse for his last ride. "He's a

SIDELINES

Jenkins to Prison In Steroids Case

SAN DIEGO (AP) - David Jenkins, the former British track star, was sentenced Monday to seven years in U.S. federal prison and fined \$75,000 for his role in a ste-

roid-smuggling ring.
Jenkins, 36, was a member of Britain's Olympic silver-medalwinning 400-meter relay team in 1972. He had faced up to 16 years in prison and a \$1 million fine after ding guilty a year ago to four counts stemming from operation of the ring that prosecutors said had once dominated the U.S. black market for the muscle-enhancing

Tales of Tyson

NEW YORK (AP) - Robin Givens says her estranged husband, heavyweight boxing champion Mike Tyson, has ballooned to 255 pounds (102 kilograms) and is not planning to fight Britain's Frank

In an interview in People magazine, Givens says Tyson told her in a recent phone call that he was up to 255 pounds. "He said, "I'm not going to fight anymore. I'm going to spend all my money, all my time, all my energy fighting you.' I told him that he has no fight with me." Despite everything, Givens said they love each other. She said her

reputation as a conniving "gold digger" who married Tyson for his money is undeserved,

"I'm one of the nicest, most fair people I know, especially recently,"

McEnroe Wins

INGLEWOOD, California (AP) - John McEnroe defeated Ivan Lendl, 7-5, 6-2, on Sunday in the finals of the \$300,000 Michel a Challenge tennis exhibition, earning \$100,000.

In the semifinals on Saturday, McEnroe upset Andre Agassi, 2-6, 6-2, 6-2, and Lendl defeated Michael Chang, 6-2, 3-6, 6-1.

مكذامن الأصل

Saving the Lenders

ART BUCHWALD

themselves in debt to the tune of \$50 billion. To keep the entire industry from going under, there will probably have to be a taxpayer bailout in the very near future.

I saw the writing on the wall when Goodbar came to the door and said, "Each member of your

family owes my savings and loan \$25,000." "How can that be when we

have never had a "That's not

Buchwald the point. The savings and loans are in trouble and you have to bail us out. We expect every man, woman and child in this nation to ante up," he

"I don't get it. You people bankrupted your savings and loans and now you want the whole country to save you. I know that life is unfair. but it's not that unfair. How did you get into such a mess?"

"It wasn't difficult. We lent money to people we thought were safe risks. Many were unable to pay back the money they borrowed, so we had to list them as bad risks. If you keep doing this for a while, it can cause you to lose a lot of money." "Have you fired those who made

the bad loans?"

"It's too late to punish anyone. When a savings and loan goes bankrupt we don't believe in taking it out on management. Now, are

Canaletto Venice Scene Sold for \$1.01 Million

The Associated Press VENICE - "The Bull Hunt in St. Mark's Piazza," a painting by Canaletto, was sold Sunday for 1.4 billion lire (about \$1.01 million). the Italian news agency ANSA re-

Canaletto — Giovanni Antonio Canal — lived from 1697 to 1768 and won fame for his precisely painted views of Venice, London to your bailout." and the English countryside. Venice has a long artistic tradition and has produced such painters as Titian and Giovanni Bellini.

PERSONAL MESSAGES

THANK YOU ST. JUDE

ANNOUNCEMENTS

THE IHT IS NOW

WASHINGTON — While no you going to make a voluntary contribution to get us out of the woods, or are we going to have to foreclose or are we going to have to foreclose on your house?"
"If I help you on this, how do I

know that the savings and loan down the street won't ask me to do the same for them?"

When they ask, just tell them that you have already rescued us, and as far as you're concerned, that's good enough."

"Let's switch this around. If I owed you money and couldn't pay, would you bail me out?" "As Dan Quayle might say,

that's a hypothetical question and not worth answering. All we are trying to do is to save you if the savings and loans go belly-up. The American people owe us for the mess we now find ourselves in. How would you like it if our savings and loan went kaflooey right in front of your eyes?"

"I wouldn't like it, but I don't think I'd put it in the same class as the Andrea Doria going down. Why hasn't George Bush taken a stand on the savings and loan res-

"Because he doesn't want to be the bearer of bad news. If the people find out what the savings and loan bailout is going to cost each of them, there will be a taxpayers' revolt. To avoid this, the busted savings and loans are making house

"Are other citizens donating money for this cause?"

"Yes, but they don't know it yet. We're trying to organize the bailout as quietly as possible."

"Why can't you go to Washing-ton and get help from the govern-"Because the government is han-

dling so many failed savings and loans it is unable to take on any more. They told us to save ourselves by appealing directly to you for assistance, It's the only decent thing to do." "It's hard to believe that one of

the most important industries in the United States would have so much trouble keeping its head above water."

"When it comes to savings institutions, Americans must share the good times with the bad." "I don't have \$25,000 to donate

"We'll loan you the money at a very reasonable rate of interest. That's why savings and loans are in

A French Intellectual's America Lyubimov Quits in Spat

By James M. Markham New York Times Service

DARIS - Since de Tocqueville, French I thinkers have been fascinated with America. But when it comes to mysterious paradox and lyrical complexity no French intellectual matches Jean Baudrillard in contemplating the New World.

Baudrillard, a lapsed sociologist who has become a sharp-shooting Lone Ranger of the post-Marxist left, is hooked on the United States, which he regards as "the center of the world." It is an unsettling notion for Parisian intellectuals, but so is his vision of America as the incarnation of late 20th-century moderni-

For some time, Baudrillard, a rumpled, unpretentions and curiously placed figure, has been a gurn for many seeking to grasp the quintessence of modern life. His fragmentary ruminations have roamed edectically over television, advertising, consumerism, seduction and the pervasive triumph of image and simulation over reality.

His against-the-grain theories about the "ironic" behavior of "the masses" — their knack for voting politicians into hopeless predicaments and their preference for entertainment over uplifting exhortations — have outraged the left in France. He has compounded his sins by suggesting that a jaded and whimsical public would like to be left in peace and not bothered by a spiritually exhausted Socialist government.

Yet for all the commotion he has stirred in France, Baudrillard's influence and renown are far greater in the United States. His provocative notion that the viewing public has its own "strategy of indifference" for foiling political directives runs counter to much academic brooding that sees television's manipulative powers as opening the door to fascism.

Since 1970, Baudrillard has criss-crossed the United States, entranced by what he calls its "inspired banality." On the living room wall of his ascetic Left Bank apartment hangs a big color photograph of an American junkscape — tilting telephone poles, abandoned-looking cars and a high-rise motel sprouting from weed-infested fields.

Working on a diary that appeared in French under the English title "Cool Memories," he found his musings on the United States mushrooming into a separate book. Verso, a British publishing house, has just brought out "America" in an English translation sold on both sides of the Atlantic.

Baudrillard argues that America is "the only remaining primitive society" and he in-vites his reader on a highly intellectualized voyage through "the primitive society of the future, a society of complexity, hybridity, and the greatest intermingling, of a ritualism that is ferocious but whose superficial diversity



Jean Baudrillard argues that America is "the only remaining primitive society."

fast-food outlet, the most banal suburb, the blandest of giant American cars or the most insignificant cartoon-strip majorette is more at the center of the world than any of the cultural manifestations of old Europe. This is the only country that gives you the

opportunity to be so brutally naïve: Things, faces, skies, and deserts are expected to be simply what they are. This is the land of just A century and a half after de Tocqueville,

Baudrillard examines not political traditions but canned laughter on American television that is so unrelenting "that you go on hearing it behind the voice of Reagan or the Marines disaster in Beirut." In Porterville, California, he is mesmerized by a shabby hotel where all the TVs are turned on in empty rooms. "The obsessive fear of the Americans," he

writes. "is that the lights might go out. Lights are left on all night in the houses." He marvels that Americans take freedom and equality as given - whereas in Europe equality is an unachieved political goal — and calls on his fellow Europeans "to grant

this country the admiration it deserves and

open our eyes to the absurdity of some of our own customs." In conversation, Baudrillard conceded that many Americans might find his enthusiasm for their country's "hyper-reality" offputting, even uncomplimentary. He suspects that various U.S. publishers who turned down the book

were "wounded, believing that it was a negative or condescending image of America.'

But he insists that he feels more at ease in the United States's "original version of modernity" - what he ironically calls "an

in the United States, he writes, "the latest achieved utopia" - than in the "dubbed or subtitled version" that is Europe. "In the 1970s," said Baudrillard, "I used to write my books here and go out to export them a little bit. Now the sphere I live in is out there, and here is a kind of airport waiting room."

He finds France in an extreme state of "intellectual isolationism," navel-gazing and "living in cultural incest," "It is a country that is living too much from commemorations, and now it is congramlating itself for the Revolu-tion. France is turning itself into a museum. "We are perhaps the most happy country,

the most balanced, the most coherent," he

continued, speaking in tumbling scraps of sentences. But, in a world where values are moving and floating, we are the fossils."

When he travels to the United States, he finds to his astonishment that American intellectuals are keen to know what is going on in Paris. "All this attention ends up confirming the French in their intellectual paranoia," he said. "It is true that we live in a center of

grandiloquence, affectation and pretention." Bandrillard contends that in France politicians and intellectuals have lost their capacity to organize or criticize things - that society has seceded from their reach. He sees a wave of strikes gripping Paris as a playful "happen-ing" that is aimed at mildly destabilizing the political order without seeking to change it.

Yet a gently destabilized system, he said, is more capable of absorbing shocks than a rigid one; crisis is chronic, but not cataclysmic. In contrast to 1929, the stock market crash last year did not usher in a catastrophe - an emblematic event for Baudrillard. "There will be no revolution," he quipped, "since we are in the midst of celebrating it."

REAL ESTATE

FOR SALE

PARIS & SUBURBS

dispute over his staging of Richard to attend a concert of the pop star's Wagner's "Der Ring des Nibelun- world tour. By Dec. 26. when the gen." Jeremy Isaacs, general directour ends, Jackson is expected to tor of the opera house in Covent have performed before 4.4 million Garden, said that the 70-year-old fans. Russian had been released from his contract. Isaacs said Lyubimov was leaving after "intellectual differ-

Yuri Lyubimov, the Soviet-born chael Jackson as long as she can to theater director, has left the Royal remember, was selected Sunday in

Opera House in London after a Tokyo as the four millionth person

José Carreras, the Spanish opera star, charmed critics with his talent ences in artistic interpretation" and courage in his first full concert with the Royal Opera's music director, Bernard Haitink. The colbefore Italian fans since fighting off leukennia last year. Carrers, 42 laboration could only have properformed "South American Creceeded if there was "absolute ole Mass" and "Our Christmas" by the Argentinian composer, Ariel confidence between them," Isaacs said. Lyubimov and Haitunk ar-Ramirez, and other Argentinian gued over the staging of the first part of the tetralogy, "Das Rhein-gold," which opened Sept. 29 to and Spanish pieces on Friday in a Vatican City anditorium

year, Lyubimov will be replaced by the German director. Götz Frie-Rudy Awards. Celebratics such as Shirley Maclaine, Rita Mercan Shirley Maciaine, and organical Gary Collins attended the 17th are contained of the awards on The Sun newspaper in London said Monday it is paying the singer Sunday. Tom Hanks and Christine Labdi received the bas Elton John a record £1-million (\$1.84-million) libel settlement.
"Sorry Elton," said the headline acting awards, and "Little Dorng." over a front-page story in The Sun's late edition announcing the out-of-court settlement, and the paper quoted John as saying. This is the best Christmas present I could wish for and I don't have the director for "Dead Ringers," het screenplay honors went in he Shelton for "Bull Durhamit for . . . and I don't bear the Sun

Princess Anne admitted in a frank television interview that she was a "huge disappointment to everybody concerned" during her younger days."Well, I simply wasn't their image of a princess, the 38-year-old Anne said on Sun-day. "Well, for a start it's impractical to go round in life dressed in a long white dress and a crown. But if there is a criticism you get from children, and even some adults, it's that you are not dressed properly and you don't look like what they expect a princess to be," she said.

The Reverend Jesse Jackson received the President's Award and the comedian Eddie Murphy was named Entertainer of the Year Saturday night during the presentation of the 21st annual NAACP Image Awards in Los Angeles.

acciaim. The crunch came over how

"Die Walktire," the second part of

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man rights abuses, but as long of the world is as it is, I have no choice," he said. Sting a fellow British singer, Peter Calrie, and the Senegalese singer, Young N'Dour, were in Genera to give United Nations' officials 500,00

Ayana Takada, 9, who says abe's Bruce Springsteen and Tracy Chapbeen listening to the music of Mi-man, did not attend the careauny.

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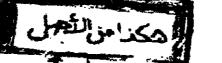
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